



SALMONES CAMANCHACA S.A. AND SUBSIDIARIES

Interim consolidated financial statements

As of June 30, 2020

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Interim consolidated statements of financial position  
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**Board statement of responsibility**

ThUS\$ - Thousands of US dollars

UF - Unidades de fomento (a Chilean pesos based inflation indexed currency unit)

ThCh\$ - Thousands of Chilean pesos

## **REPORT OF THE INDEPENDENT AUDITOR**

(Translation of the report originally issued in Spanish)

To the Board of Directors and Shareholders of Salmones Camanchaca S.A.

We have reviewed the accompanying interim consolidated statement of financial position of Salmones Camanchaca S.A. and its subsidiaries as of June 30, 2020, and the related interim consolidated statements of income by function and interim consolidated statement of comprehensive income for the six and three-month periods ended June 30, 2020 and 2019, and the related interim consolidated statement of cash flow and interim consolidated statement of changes in equity for the six-month period then ended.

### **Management's Responsibility for the Interim Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with IAS 34 "Interim Financial Reporting" of the International Financial Reporting Standards (IFRS). This responsibility includes the design, implementation and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the interim financial information in accordance with the applicable framework for the preparation and presentation of financial information.

### **Auditor's Responsibility**

Our responsibility is to perform our review in accordance with the Chilean auditing standards applicable for the review of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Chile, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

### **Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information, for them to be in conformity with IAS 34 "Interim Financial Reporting" of the International Financial Reporting Standards.

## **Other Matters**

### **Report on the consolidated statement of financial position as of December 31, 2019**

On February 28, 2020, we issued an unqualified opinion on Salmones Camanchaca S.A.'s consolidated financial statements as of December 31, 2019, in which the consolidated statement of financial position is included as of December 31, 2019, which was presented in the accompanying interim consolidated financial statements, along with the related notes.

### **Restatement of the interim consolidated financial statements as of June 30, 2019**

As described in Note 3 to the interim consolidated financial statements as of June 30, 2020 and 2019, the Company carried out a change in its accounting policies to determine the fair value of its biological assets. This change implied restating the interim consolidated financial statements as of June 30, 2019. Our conclusion is not modified by this matter.

Concepción, August 19, 2020



Francisco Avendaño U.  
EY Audit SpA

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SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2020 (UNAUDITED) AND DECEMBER 31, 2019 (AUDITED)

Assets	Note	As of June 30, 2020  ThUS\$	As of December 31, 2019  ThUS\$
Current assets			
Cash and cash equivalents	7	12,025	13,867
Other financial assets, current		31	56
Other non-financial assets, current	12	7,720	8,518
Trade and other receivables, current	8	19,708	39,887
Related party receivables, current	9	32,565	38,600
Inventories	10	28,372	32,875
Biological assets	11	130,642	142,615
Tax assets, current	14	10,314	4,861
Total current assets		241,377	281,279
Non-current assets			
Other financial assets, non-current		27	27
Other non-financial assets, non-current	12	112	112
Rights receivable, non-current	14	1,964	1,252
Equity method investments	13	4,551	4,805
Intangible assets other than goodwill	15	6,972	6,948
Property, plant and equipment	16	113,412	111,888
Deferred tax assets	17	2,780	1,419
Total non-current assets		129,818	126,451
Total assets		371,195	407,730

The accompanying notes 1 to 36 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2020 (UNAUDITED) AND DECEMBER 31, 2019 (AUDITED)

Liabilities	Note	As of June 30, 2020	As of December 31, 2019
		ThUS\$	ThUS\$
Current liabilities			
Other financial liabilities, current	18	17,328	8,391
Lease liabilities, current	19	484	810
Trade and other payables, current	20	51,044	63,949
Related party payables, current	9	7,639	15,697
Other provisions, current	21	5,635	6,308
Employee benefit provisions, current	22	1,103	1,379
<b>Total current liabilities</b>		<b>83,233</b>	<b>96,534</b>
Non-current liabilities			
Other financial liabilities, non-current	18	90,000	90,000
Lease liabilities, non-current	19	88	270
Deferred tax liabilities	17	13,234	17,110
Employee benefit provisions, non-current	22	127	101
<b>Total non-current liabilities</b>		<b>103,449</b>	<b>107,481</b>
Equity			
Subscribed and paid share capital	23	91,786	91,786
Share premium	23	27,539	27,539
Retained earnings	23	42,780	61,543
Other reserves	23	22,408	22,847
<b>Equity attributable to parent company</b>		<b>184,513</b>	<b>203,715</b>
<b>Equity attributable to non-controlling interests</b>		<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>371,195</b>	<b>407,730</b>

The accompanying notes 1 to 36 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
**FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2020 AND 2019 (UNAUDITED)**

	Share capital ThUS\$	Share premium ThUS\$	Foreign currency translation reserve ThUS\$	Other reserves ThUS\$	Total other reserves ThUS\$	Retained earnings (accumulated losses) ThUS\$	Equity attributable to owners of the parent company ThUS\$	Total equity ThUS\$
Opening balance as of January 1, 2020	91,786	27,539	(668)	23,515	22,847	61,543	203,715	203,715
Changes in equity								
Dividends accrued						(4,213)	(4,213)	(4,213)
Comprehensive income								
Net income for the period						(14,550)	(14,550)	(14,550)
Other comprehensive income			(439)		(439)		(439)	(439)
Closing balance as of June 30, 2020	91,786	27,539	(1,107)	23,515	22,408	42,780	184,513	184,513

	Share capital ThUS\$	Share premium ThUS\$	Foreign currency translation reserve ThUS\$	Other reserves ThUS\$	Total other reserves ThUS\$	Retained earnings (accumulated losses) ThUS\$	Equity attributable to owners of the parent company ThUS\$	Total equity ThUS\$
Opening balance as of January 1, 2019 (restated)	91,786	27,539	(345)	23,471	23,126	41,336	183,787	183,787
Changes in equity								
Dividends accrued						(9,508)	(9,508)	(9,508)
Comprehensive income								
Net income for the period						11,002	11,002	11,002
Other comprehensive income			108		108		108	108
Closing balance as of June 30, 2019 (restated)	91,786	27,539	(237)	23,471	23,234	42,830	185,389	185,389

The accompanying notes 1 to 36 are an integral part of these consolidated financial statements.



SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
INTERIM CONSOLIDATED STATEMENTS OF NET INCOME BY FUNCTION  
FOR THE SIX-MONTH AND THREE-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019  
(UNAUDITED)

	Note	For the six months ended June 30,		For the three months ended June 30,	
		2020	2019	2020	2019
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Operating revenue	25	134,236	123,169	50,248	48,503
Cost of sales	10	(122,697)	(98,165)	(55,380)	(43,121)
Gross margin		11,539	25,004	(5,132)	5,382
Net fair value adjustments to biological assets	11	(16,340)	2,896	(10,250)	(1,701)
Administrative expenses	26	(4,547)	(4,820)	(2,104)	(2,299)
Distribution costs	27	(5,000)	(3,364)	(2,203)	(1,346)
Financial costs	28	(2,217)	(2,064)	(1,118)	(1,354)
Share of net income (losses) of equity method associates		829	1,012	285	458
Exchange differences	29	(1,289)	(341)	1,142	(215)
Other income (losses)	30	(3,316)	(3,624)	(3,278)	(2,619)
Financial income		-	24	-	24
Net income (loss) before tax		(20,341)	14,723	(22,658)	(3,670)
Income tax expense	17	5,791	(3,721)	6,285	1,142
Net income for the period		(14,550)	11,002	(16,373)	(2,528)
Net Income (loss) attributable to:					
Owners of the parent company		(14,550)	11,002	(16,373)	(2,528)
Non-controlling interests		-	-	-	-
Net income (loss) for the period		(14,550)	11,002	(16,373)	(2,528)
Earnings per share					
Basic earnings (loss) per share (US\$/share)	24	(0.2205)	0.1667	(0.2481)	(0.0445)
Earnings per share on discontinued operations (US\$/share)		-	-	-	-
Basic earnings (loss) per share		(0.2205)	0.1667	(0.2481)	(0.0445)

The accompanying notes 1 to 36 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH AND THREE-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019  
(UNAUDITED)

	For the six months ended June 30,		For the three months ended June 30,	
	2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 ThUS\$
Net income (loss) for the period	(14,550)	11,002	(16,373)	(2,528)
Gain (loss) from foreign currency translation	(439)	108	137	(3)
Total comprehensive income	(14,989)	11,110	(16,236)	(2,531)
Comprehensive income attributable to:				
Owners of the parent company	(14,989)	11,110	(16,236)	(2,531)
Non-controlling interests	-	-	-	-
Total comprehensive income	(14,989)	11,110	(16,236)	(2,531)

The accompanying notes 1 to 36 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS, DIRECT METHOD  
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2020 AND 2019 (UNAUDITED)

	As of June 30, 2020 ThUS\$	As of June 30, 2019 ThUS\$
CASH FLOW FROM (USED BY) OPERATING ACTIVITIES		
Receipts		
Receipts from selling goods and providing services	177,783	153,592
Payments		
Payments to suppliers for goods and services	(136,409)	(135,052)
Payments to and on behalf of employees	(13,631)	(13,413)
Dividends received	589	574
Interest paid	(2,125)	(1,518)
Interest received	-	24
Income taxes paid	(7,825)	(5,376)
Net cash flows from (used by) operating activities	18,382	(1,169)
CASH FLOW FROM (USED BY) FINANCING ACTIVITIES		
Receipts from loans	9,000	44,000
Dividends paid	(16,850)	(23,770)
Net cash flow from (used by) financing activities	(7,850)	20,230
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES		
Receipts from disposals of property, plant and equipment	21	319
Purchases of property, plant and equipment	(11,570)	(22,884)
Net cash flow from (used by) investing activities	(11,549)	(22,565)
Net increase (decrease) in cash and cash equivalents, before the effect of changes in exchange rates	(1,017)	(3,504)
Effect of exchange rate changes on cash and cash equivalents	(825)	(43)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,842)	(3,547)
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	13,867	13,143
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,025	9,596

The accompanying notes 1 to 36 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF June 30, 2020 (UNAUDITED)

NOTE 1 - GENERAL INFORMATION

Salmones Camanchaca S.A. was formed when Camanchaca S.A. split on January 1, 2009. It was constituted as a private limited company in a public deed dated June 26, 2009 legalized before the Public Notary Mr. Félix Jara Cadot. The purpose of the Company is breeding, producing, marketing and farming salmon and other species or organisms whose normal and most frequent environment is water, including research and development of salmonidae genetics, farming, cultivating, processing, producing and marketing sea-food. An Extraordinary General Shareholders' Meeting held on October 23, 2009 agreed that Salmones Camanchaca S.A. should become a direct subsidiary of Camanchaca S.A. following a reorganization of the salmon business within the Group.

The Company is controlled by Camanchaca S.A.

The Company's registered office and principal offices are at Diego Portales 2000, Floor 13, Puerto Montt and its Chilean identification number (Rut) is 76,065,596-1.

A reorganization was agreed on September 14, 2017 where the Company acquired all the shares of Fiordo Blanco S.A. and Surproceso S.A., which were owned by the parent company Camanchaca S.A., and consolidated them with Fiordo Blanco S.A., in which it owns a 99.99% interest.

On February 2, 2018, 19,800,000 Company shares, which represent 30% of the Company, were placed through the Santiago Stock Exchange, using a mechanism known as an order book auction at a price of Ch\$ 3,268 per share, and these are now traded on the Santiago, Chile and the Oslo, Norway Stock Exchanges. Consequently, Salmones Camanchaca became a public listed company and is registered in the Securities Registry of the Financial Market Commission (FMC) (formerly Superintendency of Securities and Insurance), under number 1150, and is therefore subject to its regulations. Furthermore, its parent company Camanchaca S.A. has a 69.99% interest, Inmobiliaria Camanchaca Ltda. has 0.01% and the remainder totaling 30%, is held by third parties.

The subsidiary Fiordo Azul S.A. was created on January 31, 2019. Its business purpose is aquaculture in general, especially breeding, producing and farming salmon, trout and other species. Salmones Camanchaca S.A. directly and indirectly owns a 100 % interest in the company.

The Company participates in the salmon business and makes a significant contribution to this industry. It has a fully integrated value chain that includes the genetic development of breeders and all the facilities required to produce fry, smolts and marine grow-out sites, primary and value-added processing plants, and sales and marketing using its own overseas sales channels, or those belonging to its parent company, Camanchaca S.A., in the USA, Japan, China and agents in Mexico.

The main formats for selling salmon are Trim C, D, and E, HG and Hon fillets, in 4, 5, 6, and 8 oz. portions. The company prepares its products in plants located in the VIII and X regions. They are mainly sold into the North American, Japanese and Brazilian markets.

Since 2016 Salmones Camanchaca S.A. has participated as a "participant" in a joint venture partnership to produce and market trout. It has contributed maritime concessions to this partnership. The "Manager" of this joint venture partnership is Caleta Bay S.A. and the other partner is Kabsa S.A. The partnership earnings are divided equally between these three companies and are reflected in Other income (losses) in the statement of income by function.

Salmones Camanchaca produces Pacific salmon, in order to take advantage of the estuary farming sites in the Tenth Region and complement the trout joint venture in this neighborhood. This initiative will give the

Company specific experience producing and selling this species, as Chile generally has the best biological conditions compared to other species.

Salmones Camanchaca continues to reinforce the measures adopted during the first quarter to address the global pandemic in Chile, and thus reduce the risks of infection and mitigate the potential human, operational and financial consequences. These measures aim to achieve two main objectives:

- 1 To protect the health of our employees and their families, and everyone who works at the facilities operated by Salmones Camanchaca.
2. To protect the company's operational continuity, which is an indispensable requirement in order to protect employment at Salmones Camanchaca, and conserve the company's own health.

Multidisciplinary operational measures implemented during the quarter to reduce infection risks included fewer people on more shifts, eliminating physical contact between shifts, implementing even stricter hygiene protocols, introducing preventive Covid-19 PCR testing for shifts at remote marine sites, introducing remote working for everyone with non-essential duties, granting temporary home leave for vulnerable employees, such as those aged over 65, reducing passenger density in Company vehicles, and other measures. These measures limited capacity at the secondary processing plant for value-added products by approximately 30% during the second quarter.

As of the date of this report, the measures adopted by the company have enabled it to operate continuously and market its products while focusing on products with the highest added-value to meet retail demand, which has been growing within the food services sector. However, many restaurants and hotels around the world have closed, which has particularly affected some markets such as Brazil, China and Mexico, where weak demand has led to significant falls in selling prices in all markets.

The Company has sought a conservative liquidity position during the pandemic, by reducing investments, postponing non-essential expenses, lowering the proposed dividend, and increasing its credit lines. Furthermore, Pacific salmon smolt stocking has been reduced by half in 2020, which will result in estimated harvest volumes of less than 3,000 tons in the new season. Thus, total estimated harvest volumes for 2020 are 54,000 to 56,000 tons WFE. This estimate may be particularly inaccurate if supply and demand are disrupted due to the consequences of the Covid-19 pandemic.

The medium-term impact of COVID-19 is still uncertain, and Salmones Camanchaca continues to monitor it and adapt mitigation measures as productive conditions and target markets evolve.

The consolidated financial statements of Salmones Camanchaca S.A. for the period ended June 30, 2020 were approved by the Board of Directors at a meeting held on August 19, 2020.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used to prepare the interim consolidated financial statements of Salmones Camanchaca S.A. have been applied in a uniform manner, and are described as follows.

### 2.1 Period covered

These consolidated financial statements cover the following periods:

- Interim consolidated statements of financial position as of June 30, 2020 and December 31, 2019.
- Interim consolidated statements of net income by function for the six and three months ended June 30, 2020 and 2019.
- Interim consolidated statements of comprehensive income for the six and three months ended June 30, 2020 and 2019.
- Interim consolidated statements of cash flow, direct method for the periods ended June 30, 2020 and 2019.
- Interim consolidated statements of changes in equity for the periods ended June 30, 2020 and 2019.
- Notes to the interim consolidated financial statements

### 2.2 Basis of preparation

The interim consolidated financial statements of Salmones Camanchaca S.A., as of June 30, 2019, the interim consolidated statement of comprehensive income for the six and three month periods ended June 30, 2020 and 2019 and the interim consolidated statement of changes in equity and cash flows for the six month periods then ended have been prepared in accordance with IAS 34 "Interim Financial Reporting" incorporated into the International Financial Reporting Standards (IFRS).

The interim consolidated financial statements as of December 31, 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS).

Presenting the interim consolidated financial statements requires the use of specific accounting estimates and also requires management to exercise its judgment when implementing the Company's accounting policies. Note 6 of these financial statements discloses the areas which involve a higher degree of judgment and complexity, and where assumptions and estimates are significant to the financial statements.

These consolidated financial statements for Salmones Camanchaca S.A. have been prepared from accounting records held by the Company. The figures in these consolidated financial statements are expressed in thousands of US dollars, which is the Company's functional currency.

There are no significant uncertainties regarding events or conditions as of the reporting date that may cast doubt on the Company's ability to continue functioning normally as a going concern.

The consolidated financial statements have been prepared on a historical cost basis, except for items recognized at fair value in accordance with International Financial Reporting Standards. The carrying amounts of assets and liabilities hedged with transactions that qualify for hedge accounting are adjusted to reflect changes in the fair value in relation to the hedged risks.

## 2.3 New pronouncements

### New standards, interpretations and amendments

The Company applied certain standards, interpretations and amendments for the first time, which are effective for periods beginning on or after January 1, 2020.

The standards, interpretations and amendments to IFRS that became effective at the date of the financial statements, their nature and impacts are as follows:

Standards and Interpretations		Mandatory Effective Date
Conceptual Framework	Conceptual Framework (Revised)	January 1, 2020

#### Conceptual Framework (Revised)

The IASB issued the revised Conceptual Framework in March 2018. It includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event. The revised Conceptual Framework is effective for annual periods beginning on or after January 1, 2020.

Amendments		Mandatory application date
IFRS 3	Definition of a Business	January 1, 2020
IAS 1 and IAS 8	Definition of material	January 1, 2020
IFRS 9, IAS 39 and IFRS 7	Reference interest rate reform	January 1, 2020
IFRS 16	Rent reductions related to the Covid-19 pandemic	January 1, 2020

#### IFRS 3 Business Combinations - Definition of a Business

The IASB issued amendments in terms of the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. The IASB clarifies the minimum requirements for a business; removes the assessment of whether market participants are capable of replacing any missing elements; adds guidance to help entities assess whether an acquired process is substantive; narrows the definitions of a business and of outputs; and introduces an optional fair value concentration test.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, most entities will likely not be affected by these amendments on transition. However, entities considering the acquisition of a set of activities and assets after first applying the amendments should update their accounting policies on a timely basis.

The amendments could be relevant in other areas of IFRS. For example, the definition of a business may also be relevant where a parent loses control of a subsidiary and has early adopted Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

#### IAS 1 Financial Statement Presentation and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

In October 2018, the IASB issued IAS 1 *Financial Statement Presentation* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of "material" across all standards and to clarify certain aspects of the definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments must be applied prospectively. Earlier application is permitted and must be disclosed.

Although the amendments to the definition of material are not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgments are made in practice, by elevating the importance of how the information is communicated and organized in the financial statements.

#### IFRS 9, IAS 9 and IFRS 7 Reference Interest Rate Reform

The IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 in September 2019, completing the first phase of its response to the effect of interbank offering rates (IBOR) reform on financial reporting. The amendments provide temporary exceptions that allow hedge accounting to continue during the period of uncertainty, prior to the replacement of current benchmark interest rates with nearly risk-free alternative interest rates.

The amendments must be applied retrospectively. However, any hedging relationship that has previously been discontinued cannot be reinstated with the application of these amendments, nor can a hedging relationship be assigned using the benefit of retrospective reasoning. Earlier application is permitted and must be disclosed.

#### IFRS 16 Rent reductions related to the Covid-19 pandemic

The IASB issued an amendment to IFRS 16 Leases in May 2020 that provides relief to lessees when applying IFRS 16 guidance related to lease amendments for rent reductions as a direct result of the Covid-19 pandemic. The amendment does not apply to lessors.

A lessee may choose not to assess whether a Covid-19-related rent reduction granted by a lessor is a lease amendment, as a practical solution. A lessee that so chooses shall recognize changes in lease payments arising from rent reductions relating to the Covid-19 pandemic just as it would recognize that change under IFRS 16 as if it were not an amendment of the lease.

A lessee shall apply this practical solution retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings, or other component of equity, as appropriate, at the start of the annual reporting period in which the lessee first applies the amendment.

A lessee can apply this amendment in annual periods beginning on or after June 1, 2020. Early application is permitted, including in financial statements not authorized for publication as of May 28, 2020.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.



## 2.4 Basis of consolidation

### a) Subsidiaries

Subsidiaries are all entities over which an investor can exercise the right to receive variable returns through this investment and can make decisions regarding those returns through their control over the investee. Generally, control is assumed to mean the majority of the voting rights. When the group does not hold a majority of the voting rights, or similar rights, in the subsidiary, the group considers all relevant facts and circumstances to assess whether it has control over the subsidiary, including:

- Contractual agreements with other shareholders regarding the subsidiary's voting rights.
- Rights from other contractual agreements.
- Potential group voting rights.

The group evaluates whether it retains control in an investee, if facts and circumstances indicate that there have been changes in one or more of the control criteria described above. Subsidiaries are consolidated from the moment the group obtains control over the subsidiary and consolidation ceases when the group loses control over the subsidiary. The assets, liabilities, income and expenses of a subsidiary that has been acquired or disposed of during the year are included in the consolidated financial statements from the date on which the group obtains control or until the date on which the group loses control.

The net income, losses and each component of other comprehensive income are attributed to the owners of the group's parent company and to external shareholders, even if this means that the external shareholders have a debit balance. When deemed necessary, adjustments are made to the financial statements of subsidiaries so that their accounting policies are consistent with group policies. All assets, liabilities, equity, income, expenses and cash flows arising from transactions between group companies are fully eliminated on consolidation.

The acquisition method is used to account for the acquisition of subsidiaries by the Company. The acquisition cost is the fair value of the assets delivered, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets, liabilities and contingencies acquired in a business combination are initially valued at their fair value on the acquisition date, regardless of the extent of minority interests. At each acquisition, the Group recognizes any minority interest at its fair value, or the proportional value of the minority interest over the fair value of the acquired net assets.

The surplus acquisition cost over the fair value of the Company's share of the acquired net identifiable assets is recognized as purchased goodwill. If the purchase price is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the statement of net income.

Intercompany transactions, balances and unrealized gains on transactions between Group entities are eliminated during consolidation. Unrealized losses are also eliminated, unless that transaction provides evidence that the transferred asset is impaired. The accounting policies at subsidiaries are amended as necessary, to ensure that Group policies have been consistently adopted.

Salmones Camanchaca S.A. consolidates Fiordo Blanco S.A. as it owns a 99.99% interest.

The subsidiary Fiordo Azul S.A. was created on January 31, 2019. Its business purpose is aquaculture in general, especially breeding, producing and farming salmon, trout and other species. Salmones Camanchaca S.A. directly and indirectly owns 100 % of the company and therefore consolidates it.

The following subsidiaries are included in these consolidated financial statements, together with their functional currency:

Consolidated company	Country Source	Functional Currency Functional	Ownership interest		06/30/2020	12/31/2019
			Direct %	Indirect %	Total %	Total %
Fiordo Blanco S.A.	Chile	US dollars	99.99	-	99.99	99.99
Fiordo Azul S.A.	Chile	US dollars	99.99	0.01	100.00	-

## Associates

Associates are defined as entities over which the Company exercises significant influence but does not control the financial and operational policies. It generally has an interest in the voting rights of between 20% and 50%. Investments in associates are accounted for using the equity method and are initially recognized at cost.

The Salmones Camanchaca S.A. share of net income or losses in associates subsequent to acquiring them are recognized in net income, and its share of equity movements (that are not due to net income) subsequent to their acquisition are recognized in reserves, and reflected as appropriate in the statement of comprehensive income. When the Company's share of an associate's losses is equal to or greater than its interest in that company, including any other unsecured receivables, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of that associate.

Unrealized gains on transactions between Salmones Camanchaca S.A. and its associates are eliminated according to the Company's percentage interest in them. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the transferred asset.

- Surproceso S.A is a company that provides aquaculture services. It has a commercial relationship with Salmones Camanchaca S.A. providing it with slaughtering and gutting services, who also owns a 33.3% interest.
- New Worlds Currents Ltd. was incorporated in Hong Kong to establish, process and operate businesses associated with marketing salmon in China. Salmones Camanchaca S.A. offered New Worlds Currents Ltd. and its shareholders all the shares of this company that it held in May 2020. This offer was accepted as of that month, and as a consequence it no longer participates in New World Currents Ltd.

## 2.5 Segment reporting

IFRS 8 requires entities to adopt "Management's approach" when disclosing information about the outcome of their operating segments. In general, this is the information that Management uses internally to evaluate segment performance and to allocate resources to segments.

Salmones Camanchaca S.A. has only one operating segment, according to this standard.

## Foreign currency transactions

### a) Presentation currency

The Company's financial statements are presented in US dollars, which is the functional currency of the parent company and the group's presentation currency.

### b) Functional currency

Functional currency is the currency of the primary economic environment in which the entity operates, according to IAS 21.

Therefore, the Company has established that the conditions that support the functional currency are as follows.

<b>Factors</b>	<b>Currency</b>
The currency that primarily influences the selling prices of goods and services; normally the price used to describe and pay for them.	US dollar <sup>1</sup>
The currency that principally affects the costs of labor, materials and other costs to produce goods or provide services, normally the price used to describe and pay for such costs.	US dollar and Chilean peso <sup>2</sup>
The currency used to collect receipts for billed operational activities.	US dollars

The following aspects were also considered when selecting the Company's functional currency.

- The currency used by the Company's financing activities, such as bank obligations and equity, is the US dollar.
- The currency primarily used to invest the receipts from the Company's billed operational activities is the US dollar.

Therefore, the Company considers that under the current circumstances the functional currency of Salmenes Camanchaca S.A. is the US dollar.

#### c) Transactions and balances

Transactions in foreign currencies other than the functional currency are translated to the functional currency using the exchange rate in effect as of the transaction date. Gains and losses on foreign currencies resulting from settling these transactions, and the conversion at closing rates of those monetary assets and liabilities denominated in foreign currency, are recognized in the statement of net income under "Exchange differences".

The assets and liabilities of a subsidiary or associate, whose functional currency is different from that of the group but is not that of a hyperinflationary economy, are translated on consolidation into US dollars at the exchange rate in effect on the closing date and the statements of net income are translated at the average monthly exchange rate. Exchange differences arising on translation are recognized in other comprehensive income. When a foreign investment is disposed of, the component of other comprehensive income relating to that investment is reclassified to the statement of net income.

#### d) Exchange rates

The exchange rates of foreign currencies and the Unidad de Fomento (an inflation-indexed, Chilean monetary unit) compared to the Chilean peso as of June 30, 2020 and 2019 and December 31, 2019 were as follows:

<b>Date</b>	<b>Ch\$ / US\$</b>	<b>UF / US\$</b>	<b>Euro / US\$</b>	<b>Yen / US\$</b>	<b>Nok / US\$</b>
06/30/2020	821.23	0.0286	0.8900	107.9300	9.6382
12/31/2019	748.74	0.0264	0.8918	108.9000	8.7907
06/30/2019	679.15	0.0243	0.8796	107.8400	8.5298

<sup>1</sup> US dollar

<sup>2</sup> Chilean peso

## 2.6 Property, plant and equipment

The Company's property, plant and equipment is made up of land, building, infrastructure, machinery, equipment and other fixed assets. The main types of property, plant and equipment are: Production plants, marine equipment (pontoons), hatchery centers and grow-out centers.

Land, buildings, plants, equipment and machinery are recognized at their historical cost less depreciation. Historical cost includes the fair value considered to be attributed cost according to IFRS 1. This historical cost includes expenditure that is directly attributed to acquiring the asset.

Subsequent costs are included in the initial value of the asset, or recognized as a separate asset, only when it is likely that the future financial benefits associated with these components will flow to the Company and the cost of these components can be determined reliably. The value of the replaced component is expensed.

Replacement or overhaul of whole components that increase the asset's useful life, or its economic capacity, are recorded as an increase in value for the respective assets, while derecognizing the replaced or overhauled components.

Depreciation of other items of property, plant and equipment is calculated using the straight-line method, in order to allocate their cost over their estimated technical useful lives.

	Years
Buildings	10 - 50
Plant and equipment	3 - 20
Vessels	50
Vehicles	7 - 10
Other fixed assets	3 - 10
Right-of-use assets	3

The residual value and useful life of these assets are reviewed and adjusted when necessary at each reporting date.

When the book value of an asset is greater than its estimated recoverable value, its book value is immediately reduced to its recoverable value.

Losses and gains on sales of assets are calculated by comparing the proceeds with the book value, and presented in the statement of net income.

Right-of-use assets includes assets for service contracts that qualify as financial leases under the parameters established by IFRS 16, as of June 30, 2020.

## 2.7 Biological assets

Biological assets include the following.

Biological assets include groups of breeders, eggs, smolts and fish at marine grow-out sites. They are evaluated at initial recognition and subsequently.

Live fish inventories at all their freshwater stages, which are breeders, eggs, fry and smolts. These are valued at accumulated cost at the reporting date.

The fair value valuation criteria for fish at marine grow-out sites includes the value of the concession as a component of the farming risk, in accordance with the definition in IAS 41. Therefore, a valuation model has been adopted that calculates the Fair Value Adjustment (FVA) by applying a risk factor to the expected biomass margin at each marine grow-out site. An exponential model is used and the risk factor discounts the expected biomass margin.

The estimated fair value of fish biomass is based on the volume of fish biomass, average biomass weights, cumulative biomass costs for each site, estimated remaining costs and estimated sales prices.

#### Volume of fish biomass

The volume of fish biomass is an estimate based on the number of smolts in the sea, an estimate of their growth, identified mortality in the period, average weights, and other factors. Uncertainty with respect to the volume of biomass is normally lower in the absence of bulk mortality events during the cycle, or if the fish catch acute diseases.

The biomass is the weight when it is calculated for each farming site. The target harvest weight depends on each site.

#### Cumulative Costs

Cumulative costs for farming sites at the date of the fair value calculation are obtained from the company's accounts.

#### Remaining Costs

Estimated remaining costs are based on the forecast direct and indirect costs that will affect the biomass at each site through to final harvest.

This estimate is refined at each calculation, and uncertainty reduces as the harvest approaches.

#### Operating revenue

Revenue is calculated using several sales prices forecast by the company for each month based on future price information from public sources, adjusted to historical price behavior from the main destination market for our fish. This is reduced by the costs of harvesting, processing, packaging, distribution and sale.

A Fair Value Adjustment is applied to all fish at marine grow-out sites, under the current model. Changes in the fair value of biological assets are recorded in the statement of net income for the period.

All biological assets are classified as current biological assets, as they form part of the normal farming cycle that concludes with harvesting the fish.

The gain or loss on the sale of these assets may vary in comparison to their calculated fair value at the reporting date.

The Company uses the following method.

Stage	Asset	Valuation
Fresh water	Eggs, fry, smolts and breeders	Direct and indirect cumulative costs at their various stages.
Sea water	Salmon Farming	Fair value includes prices, costs and volumes that are estimated by the company.

#### Hierarchy

Fair value hierarchy is determined according to the data source, according to the IFRS 13. The Company's valuation model uses hierarchy level III. The most significant unobserved variables are the sales price and the average weight.

## 2.8 Intangible assets other than goodwill

Individually acquired intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition.

After initial recognition, intangible assets are recorded at cost less any accumulated amortization and any accumulated impairment loss. Internally generated intangible assets, excluding capitalized development expenditure, are not capitalized and the related expense is recognized in the statement of net income for that period.

### a) Aquaculture concessions

Aquaculture concessions have an indefinite useful life, because they have no expiry date nor a measurable useful life. Therefore, they are not amortized. This status of indefinite useful life is reviewed at each reporting date, in order to assess whether events and circumstances continue to support an indefinite useful life for that asset. These assets undergo impairment testing on a yearly basis.

### b) Water Rights

The Company analyzed the useful lives of these intangible assets and concluded that there is no foreseeable limit to the period over which they will generate net cash flow. Therefore, these intangible assets have indefinite useful lives.

### c) Computer programs

Licenses for purchased software are capitalized on the basis of the costs incurred to purchase and prepare them for use. These costs are amortized over their estimated useful lives. Expenditure on developing or maintaining software is expensed as it is incurred. Costs directly associated with producing unique and identifiable computer software controlled by the Company that are likely to generate financial benefits that exceed their costs for more than a year, are recorded as intangible assets.

Direct costs include expenses for employees that develop the software and an appropriate percentage of general expenses.

### d) Research and development expenses

Research expenses are expensed when incurred. The directly attributable costs of development projects relate to the design and testing of new or improved products. These are recognized as intangible assets when the following criteria are met.

- It is technically feasible to fully produce the intangible asset, to the point where it can be used or sold.
- Management intends to complete the intangible asset, and to use or sell it.
- The Company has the ability to use or sell it.
- The Company can demonstrate how the intangible asset is likely to generate financial benefits in the future.
- The Company has sufficient technical, financial or other resources, to complete development and to use or sell the intangible asset.
- The expenditure attributable to developing it can be reliably measured.

## 2.9 Interest costs

Interest costs incurred in the construction of any qualified asset are capitalized over the period of time needed to complete and prepare the asset for its intended use. Other interest costs are expensed.

## 2.10 Impairment losses on non-financial assets

Assets with indefinite useful lives are not amortized and are tested yearly for impairment losses. Amortized assets are tested for impairment whenever an event or change in circumstances indicates that their book value may not be recoverable. An impairment loss is recognized for the amount by which the asset's book value exceeds its recoverable value. The recoverable value is the greater of the fair value of an asset less the costs to sell it, or its value in use. Impairment is assessed by grouping assets at the lowest levels at which they generate separately identifiable cash flows (cash-generating units).

Salmones Camanchaca S.A. uses value in use to calculate the recoverable value. Value in use is based on estimated future cash flows that are discounted to present value using a before-tax discount rate that reflects current market assessments of the time value of money and any asset specific risks.

All non-financial assets are evaluated at each closing date to determine whether there is any indication that the impairment loss recorded in previous years no longer exists or has decreased. If such an indication is found, the Company estimates the recoverable value of the asset or the cash-generating units. A previously recorded impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable value since the last impairment loss was recorded. The reversal is limited to ensuring that the book value of the asset does not exceed its recoverable value, nor does it exceed its original book value net of depreciation had no impairment loss been recognized in prior years. This reversal is recorded in the statement of net income unless the asset is carried at a revalued value, in which case the reversal is recorded as an increase in the revaluation.

Intangible assets with an indefinite useful life at December 31 are tested annually for impairment. This applies to both individual assets and cash-generating units, as appropriate, and when circumstances indicate that the book value may be impaired.

## 2.11 Financial assets and liabilities

### Financial Assets

Financial assets within the scope of IFRS 9 are classified according to the business model used by the Group to manage its financial instruments and contractually established cash flows.

Financial investments not classified at fair value through profit and loss are initially recognized at fair value plus directly attributable transaction costs.

The Company evaluates whether embedded derivatives exist in contracts or financial instruments, to determine whether their characteristics and risk are closely related to the principal contract provided that in aggregate they are not being accounted for at fair value. If they are not closely related, they are recorded separately and changes in value are accounted for directly in the statement of comprehensive income.

The Company and its subsidiaries classify their financial assets after initial recognition and, when permitted and appropriate, reassess this classification as of each year end. All regular purchases and sales of financial assets are recognized on the trade date, which is the date on which the company becomes committed to the trade. Regular purchases and sales of financial assets require the delivery of assets within the time frame established generally by market regulation or convention. The following investment classifications are used:

- a) Financial assets at fair value through profit and loss - Financial assets at fair value through profit and loss include financial assets held for sale and financial assets initially recognized at fair value through profit and loss.

Financial assets are classified as held for sale if they are acquired for the purpose of selling them in the short term.

Derivatives, including any separate embedded derivatives, are also classified as held for sale, unless designated as effective hedging instruments or as financial guarantee contracts. Gains or losses on instruments held-for-sale are recognized through profit and loss.

When a contract contains one or more embedded derivatives, the entire hybrid contract can be designated as a financial asset at fair value through profit and loss except when the embedded derivative

does not significantly modify the cash flows, or it is clear that separation of the embedded derivative is prohibited.

- b) Financial assets measured at amortized cost - The entity measures assets at amortized cost when the asset complies with the following two conditions: i. The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) Financial assets at fair value with changes in other comprehensive income - Financial assets are measured at fair value with changes in other comprehensive income if they meet the following two conditions: (i) They are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- d) Derivative and hedge financial instruments - Derivative financial instruments to hedge risks associated with fluctuations in interest rates and exchange rates are initially recognized at fair value at the date the derivative contract is signed and are subsequently valued at fair value. Derivatives are recorded as assets (other financial assets) when their fair value is positive and as liabilities (other financial liabilities) when their fair value is negative.

## Financial liabilities

Debt and equity instruments are classified as either financial liabilities or equity, based on the substance of the contractual agreement.

Equity instruments - An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Equity instruments are recorded at the value of the consideration received, net of direct issuance costs.

Financial liabilities – Financial liabilities are classified either as financial liabilities “at fair value through profit and loss”, or as “other financial liabilities”.

- a) Financial liabilities are classified at fair value through profit and loss when these are held for sale or are designated as such.
- b) Other financial liabilities, including loans, are valued initially at the amount of cash received, net of transaction costs. Other financial liabilities are subsequently valued at amortized cost using the effective interest rate method, recognizing interest expense on an effective rate basis.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense throughout the corresponding period. The effective interest rate is the rate that exactly discounts the estimated cash flows payable over the expected life of the financial liability, or when appropriate, a shorter period when the associated liability has a prepayment option that it expects to exercise.

## 2.12 Inventories

Inventory is valued at its cost or net realizable value, whichever is lower. Cost is calculated using the average cost method.

The cost of finished and in-process products includes the costs of raw materials, direct labor, other direct costs and general manufacturing expenses, based on normal operating capacity, but excluding interest.

Net realizable value is the estimated sales price during the normal course of business, less any variable costs to sell them.

Obsolete or slow-moving products are recognized at their recoverable value.



Subsequent storage costs or costs incurred in delivering products to customers are not included in inventory costs.

Commercial discounts, rebates and other similar adjustments are deducted to arrive at the purchase cost.

Net realizable value is the estimated sales price less all estimated finishing costs and sales and marketing costs.

The Company evaluates the net realizable value of inventories at the end of each period and adjusts their book value if necessary.

Inventory valuation policy

a) The Company values its inventories as follows.

i) The production cost of manufactured inventory includes all costs related to the units produced such as labor and fixed and variable costs required to transform raw materials into finished products.

The production cost of fresh and frozen salmon is based on the last fair value of biological asset when harvested, plus direct and indirect production costs.

ii) The acquisition cost of purchased inventory includes its purchase cost, customs fees, transport, storage and other costs attributable to its acquisition.

b) Inventory cost calculation formula

Inventories of finished products are valued using the weighted average cost, ie. the cost of each product unit is based on the weighted average cost at the beginning of the period, and the cost of items purchased or produced during the period.

Inventories of raw materials, packaging materials are valued at weighted average cost.

## 2.13 Statement of cash flow

The Company has defined the following policies in order to prepare the statement of cash flow:

Cash and cash equivalents include cash on hand, at banks, term deposits with financial institutions, mutual funds and other short-term, highly liquid investments that are readily realizable, with a low risk of changes in value and an original maturity of up to three months. Bank overdrafts are classified as third-party resources within current liabilities in the statement of financial position.

- i. Operating Activities: These are the group's principal source of operating revenue as well as other activities that cannot be classified as investing or financing.
- ii. Investing Activities: These involve acquiring, selling or otherwise disposing of long-term assets and other investments not included in cash and cash equivalents.
- iii. Financing Activities: These bring about changes in the size and composition of equity and financial liabilities.

## 2.14 Classification of current and non-current balances

Balances in the consolidated statement of financial position are classified by maturity with current balances maturing in less than 12 months and non-current balances in more than 12 months. However, balances associated with the normal operating cycle and mature in over one year are presented as current. Should the company have any obligations that mature in less than twelve months, but can be refinanced over the long term at management's discretion, using unconditionally available credit agreements with long-term maturities, such obligations may be classified as non-current liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 2.15 Earnings per share

Basic earnings per share is calculated as the ratio between net income for the period divided by the weighted average number of ordinary shares in circulation during that period.

## 2.16 Trade and other receivables

Trade receivables are initially recognized at fair value (nominal value including implicit interest), and they are subsequently recognized at their amortized cost according to the effective interest rate method, less provisions for impairment losses.

Implicit interest must be disaggregated and recognized as financial income to the extent that such interest has accrued.

The provision is the difference between the asset's book value and the present value of its estimated future cash flows, discounted using the effective interest rate.

However, if the difference between the nominal value and the fair value is not significant, the nominal value is used.

The Group applies the simplified approach in IFRS 9 to measure expected credit losses, using an expected loss provision over the life of the instrument for all receivables.

Expected credit losses are measured by grouping receivables by their shared credit risk characteristics and days overdue. Historical loss rates are adjusted to reflect current and expected information regarding macroeconomic factors that affect the ability of customers to meet their commitments.

## 2.17 Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits with financial institutions, other highly liquid short-term investments that can be readily converted into known amounts of cash that are subject to a negligible risk of changes in value and have a maturity of three months or less on their acquisition date.

Bank overdrafts are included in current financial liabilities in the consolidated statements of financial position, when appropriate.

## 2.18 Share capital

Share capital is represented by ordinary shares.

Incremental costs directly attributable to new share issues or options are presented in net equity as a deduction from their proceeds.

Legal minimum dividends on ordinary shares are recognized as a reduction in equity when they are accrued.

## 2.19 Trade and other payables

Trade payables are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

However, similarly to trade receivables, if the difference between the nominal value and the fair value is not significant, the nominal value is used.

## 2.20 Current and deferred income taxes

The tax expense on net income for the period includes current income tax and deferred tax.

Current income taxes are based on the tax laws at the reporting date.

Deferred taxes are calculated using the liability method on temporary differences that arise between the tax value of assets and liabilities and their book values. However, if deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination, which at the time of the transaction do not affect accounting net income nor taxable profit, then they are not accounted for.

Deferred tax is calculated using the current tax rates and laws, or those about to be approved at the reporting date, which are likely to be applicable when the corresponding deferred tax asset is collected or deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is likely that future tax benefits are available to offset such temporary differences.

An entity must offset deferred tax assets with deferred tax liabilities only if the tax authority recognizes that it has the legal right to offset the amounts recognized in those items; and the deferred tax assets and liabilities arise from income taxes levied by the same tax authority on the same entity or taxpayer, or on different entities or taxpayers that intend either to settle current tax assets and liabilities on a net basis or to simultaneously recover the assets and pay the liabilities in each of the future periods in which significant amounts of deferred tax assets or liabilities are expected to be paid or recovered.

Current and deferred income taxes are recognized in the statement of net income, except for taxes arising on items recognized in other comprehensive income, directly in equity, or on a business combination. In which case, the corresponding tax is also recognized in other comprehensive income, directly in the statement of net income, or in commercial goodwill, respectively.

## 2.21 Employee benefits

### a) Staff vacations

The Company recognizes the expense for staff vacations using the accrual method, which is recorded at its nominal value. The staff vacation benefit does not represent a significant amount in the statement of comprehensive income.

### b) Severance indemnities

This liability is the present value of defined benefit obligations at the reporting date. It is calculated annually using actuarial assumptions and by discounting the corresponding estimated cash flows. Gains and losses arising from adjustments due to changes in trends of actuarial assumptions are recognized immediately in the statement of financial position with a charge or credit, as appropriate, to reserves through other comprehensive income in the period in which they occur. These changes are not reclassified to the statement of net income in subsequent periods.

The parameters used in the actuarial valuation model are as follows: mortality and invalidity rates, discount rates, salary growth rates and staff turnover rates due to resignations.

## 2.22 Provisions

Provisions are recognized when:

- i) The Company has a legal or implicit obligation, as a result of past events.
- ii) It is likely that a disbursement will be necessary to settle the obligation.
- iii) The amount can be reliably estimated.
- iv) Provisions are measured at the present value of Management's best estimate of the expenditures required to settle the obligation. The discount rate used to calculate the present value reflects current market assessments at the reporting date of the time value of money, as well as any specific risks related to the particular liability.
- v) Legal provisions arise from a contract, legislation or other legal cause.
- vi) Site closure provisions are reliable estimates of the expenditure required to make sites operational for the next harvest cycle.

## 2.23 Revenue recognition

Revenue is recorded at the fair value of the consideration received or receivable derived from that revenue. The Company takes into consideration all the relevant facts and circumstances when applying each step of the model established by IFRS 15 regarding customer contracts: (i) identify the contract, (ii) identify the performance obligations, (iii) determine the transaction price, (iv) assign the transaction price to the performance obligations, and (v) revenue recognition. The Company also assesses any incremental costs that arise from winning a contract and any costs directly related to fulfilling a contract. The Company recognizes revenue when the steps set out in this IFRS have been successfully completed.

### (i) Operating revenue recognition from the sale of goods

Operating revenue from the sale of goods is recognized when the Company has transferred control over the goods sold to the buyer; when revenue can be reliably measured; when the Company cannot influence how the goods sold are managed; when the Company is likely to receive the financial benefits of the transaction; and when the transaction costs can be reliably measured.

Operating revenue is based on the price established in the sale agreement, net of volume discounts as of the sale date. There is no significant funding component, as sales proceeds are collected within a reduced average period, which is in line with market practice.

Revenue from export sales is based on Incoterms 2010, which are official regulations for interpreting trade terms, and they are issued by the International Chamber of Commerce.

The principal Incoterms used by the Company are as follows:

"CFR (Cost and Freight)", where the Company is responsible for all costs, including principal transport costs, until the goods arrive at the destination port. Risk is transferred to the buyer when the goods are loaded onto the ship, in the country of origin.

"CIF (Cost, Insurance and Freight)", where the Company arranges and pays the foreign transportation costs and other costs, such as insurance. Salmones Camanchaca S.A. ceases to be responsible for the goods once they have been delivered to the maritime or air carrier, in accordance with the corresponding deadline. The sale is complete when the goods are delivered to the carrier. This service is arranged by the seller.

FOB (Free on Board) and similar, where the buyer arranges and pays the transport costs. Therefore, the sale is complete when the goods are delivered to the carrier arranged by the buyer.

## (ii) Operating revenue recognition for providing services

Operating revenue from services is recognized when the performance obligation has been satisfied. Revenue is accounted for considering the degree of service completion as of the closing date, and whether the Company has an enforceable right to payment for providing those services.

## 2.24 Leasing

The Company has applied IFRS 16 "Leases" using the modified retrospective approach since January 1, 2019. Therefore, comparative information has not been restated and continues to be reported in accordance with IAS 17 "Leases" and IFRIC 4 "Determining whether an arrangement contains a lease".

### a) Policy from 1 January 2019

When a contract begins, the Company assesses whether the contract contains a lease, defined as whether the contract gives the right to control the use of an identified asset for a period of time in exchange for consideration. A contract gives Salmones Camanchaca S.A. the right to control the use of an identified asset if:

- i) The contract involves the explicit or implicit use of an identified asset. If the supplier has a substantial right of substitution, then the asset is not identified;
- ii) It has the right to receive substantially all the financial benefits from using the asset during the period; and
- iii) It has the right to direct the use of the asset. This right is exercised when significant decisions are taken, for example how and why the asset is used. In exceptional cases, the decision on how and why the asset is used is predetermined. It has the right to direct the use of the asset if it has the right to operate the asset, or if it designed the asset in a manner that predetermines how and why it will be used.

At the beginning or revaluation of a contract containing a lease component, the Company assigns the consideration in the contract to each lease component on the basis of its independent relative prices, by separately allocating the associated cost of capital.

### b) Lessee

Salmones Camanchaca S.A. recognizes a right-of-use asset and a lease liability when the lease begins. The right-of-use asset is initially valued at cost, which comprises the initial lease liability adjusted for any lease payments made on or before the start date, plus any initial direct costs and an estimate of the costs to dismantle and eliminate the underlying asset or to restore the underlying asset or the site where it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of its estimated useful life according to the contract term. The estimated useful lives of right-of-use assets are determined by considering future renewals according to the contract term. The value of a right-of-use asset is regularly evaluated and reduced by any impairment losses, and adjusted for specific new valuations of the lease liability.

The lease liability is initially valued at the present value of future payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's borrowing rate, incorporating additional adjustments considering the risk of the country and each of the subsidiaries.

Lease payments included in valuing the lease liability comprise the following:

- Fixed payments, included in the contract.
- The exercise price under a purchase option that the Company may reasonably exercise.
- Lease payments on an optional renewal period if the Company is reasonably certain to exercise the renewal option.
- Penalties for early termination of a lease, unless the Company is reasonably certain that it will not terminate the lease early.

The lease liability is valued at amortized cost using the effective interest method. It is revalued when there is a change in future lease payments due to a change in an index or rate. When the lease liability is accordingly revalued, the book value of the right-of-use asset is adjusted, unless this reaches zero, in which case the adjustment is recognized in the statement of net income.

The Company presents right-of-use assets in "Property, plant and equipment" and the associated obligations in "Operating lease liabilities, current and non-current" within the consolidated statement of financial position.

The company has elected not to recognize right-of-use assets and lease liabilities for contracts with a term of 12 months or less, and for contracts whose assets have a value under US\$5,000. The Company recognizes the lease payments associated with these transactions as a straight-line expense over the contract term.

#### Treatment under IAS 17

The Company as a lessee classified as finance leases all those leases that transfer substantially all the risks and rewards of ownership, during the comparative period.

Assets held under other leases were classified as operating leases and were not recognized in the consolidated statement of financial position. Payments for operating leases were recognized in the statement of net income on a straight-line basis over the contract term.

The lease incentives received were recognized as an integral part of the total lease expense during the contract term.

#### c) Lessor

The Company as a lessor determined whether each contract was a finance lease or an operating lease when the lease contract began.

The Company's accounting policies as lessor in the comparative period are as stipulated by IFRS 16.

### 2.25 Dividend Policy

The Company has defined the following dividend policy, in accordance with its by-laws.

Financial statements shall be prepared as of December thirty-one each year. Net income for the year will be distributed as follows.

- a) No less than thirty percent to be distributed as a dividend in cash to shareholders, in proportion to their shares.
- b) The balance to be used to form reserves, as agreed by an Annual General Shareholders' Meeting.

Distributions of dividends to shareholders are recognized as a liability as of each reporting date, in accordance with the dividend policy agreed upon by shareholders at the ordinary general shareholders' meeting.

### 2.26 The environment

The disbursements associated with improvements and investments in productive processes that improve environmental conditions are recorded as an expense or investment in the period in which they arise. When these disbursements are part of investment projects, they are recorded as increases to property, plant and equipment.

The Company has established the following disbursements for environmental protection projects.

- a) Disbursements relating to improvements and investments in productive processes that improve environmental conditions.
- b) Disbursements relating to verifying and monitoring regulations and laws covering industrial processes and facilities.
- c) Other disbursements that affect the environment.

### NOTE 3 - CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

The statement of net income by function and comprehensive income as of June 30, 2019 has been restated in accordance with the change in December 2019 in the method used to calculate the fair value of biological assets and the accounting treatment that recognizes the one third share of the trout joint venture income in other income (losses) in the statement of net income by function and not as operating income, as follows.

The effect on net income of this change in policy was ThUS\$ 194, the effect of the negative fair value adjustment was ThUS\$ (265) and positive taxes of ThUS\$ 71. The trout joint venture was reclassified as previously explained. This information is shown as follows.

#### INTERIM CONSOLIDATED STATEMENTS OF NET INCOME BY FUNCTION AS OF JUNE 30, 2019 (RESTATED)

	Original presentation	Adjustments and Reclassifications		Restated
	For the period ended June 30, 2019 ThUS\$	Change in Accounting Policy ThUS\$	Reclassification ThUS\$	For the period ended June 30, 2019 ThUS\$
Operating revenue	122,055	-	1,114	123,169
Cost of sales	(98,165)	-	-	(98,165)
Gross margin	23,890	-	1,114	25,004
Net fair value adjustments to biological assets	3,161	(265)	-	2,896
Administrative expenses	(4,820)	-	-	(4,820)
Distribution costs	(3,364)	-	-	(3,364)
Financial costs	(2,064)	-	-	(2,064)
Share of net income (losses) of equity method associates	1,012	-	-	1,012
Exchange differences	(341)	-	-	(341)
Other income (losses)	(2,510)	-	(1,114)	(3,624)
Financial income	24	-	-	24
Net income before tax	14,988	(265)	-	14,723
Income tax expense	(3,792)	71	-	(3,721)
Net income from continuing operations	11,196	(194)	-	11,002

The interim consolidated statement of comprehensive income was amended as follows.

	Original presentation	Adjustments and Reclassifications		Restated
	As of June 30, 2019	Change in Accounting Policy	Reclassification	As of June 30, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Net income for the period	11,196	(194)	-	11,002
Gain (loss) from foreign currency translation	108	-	-	108
Total comprehensive income	11,304	(194)	0	11,110

There are no changes to the interim consolidated statement of cash flow, as these are changes to fair value and deferred taxes.

## NOTE 4 - FINANCIAL RISK MANAGEMENT

The Company's business is exposed to a variety of financial risks, including credit risk, liquidity risk and market risk.

### 4.1. Credit risk

Credit risk is the risk that a counterparty fails to meet its obligations arising from a financial instrument or purchase contract and this results in a financial loss. The Group is exposed to credit risk in its operating activities (mainly within trade debtors).

#### a) Customer portfolio risk

The Company has no customers in arrears but not impaired as of the reporting date.

#### b) Sales risk

The Company uses the usual tools operating in the industry to market its products. These are contracted with recognized and qualified insurance companies and financial institutions. These tools are insurance policies covering credit, transport and cargo, confirmation of letters of credit, etc. Where collection is directly performed by the Company, this is substantiated by a long-term business relationship, a full record of payment behavior and recognized financial solvency.

The Company has established policies to ensure that product sales on credit are made to customers with an appropriate credit history. The Company mostly sells into the wholesale market, and export sales are supported by letters of credit. Domestic sales are preferably to customers with an appropriate credit history.

### 4.2. Liquidity risk

The Company's liquidity risks arise from a shortfall of funds for operating costs, financial costs, investments, debt repayments and dividends, compared to its sources. This risk is mitigated through prudent liquidity management, which involves holding sufficient cash and marketable securities, together with balanced bank financing.

Capital and interest commitments over the terms of bank loans and other commitments are as follows.

#### a) As of June 30, 2020

Description	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 5 years ThUS\$	ThUS\$
Interest-bearing loans	4,046	14,474	94,794	113,314
Trade and other payables	34,412	16,632	-	51,044
Related party payables, current	7,639	-	-	7,639
Total	46,097	31,106	94,794	171,997

#### b) As of December 31, 2019

Description	1 to 3 months ThUS\$	3 to 12 months ThUS\$	1 to 5 years ThUS\$	ThUS\$
Interest-bearing loans	-	11,976	97,506	109,482
Trade and other payables	53,974	9,975	-	63,949
Related party payables, current	15,697	-	-	15,697
Total	69,671	21,951	97,506	189,128



#### 4.3. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices. Market risk comprises exchange rate risk and interest rate risk,

##### a) Exchange rate risk

Exchange rate risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in exchange rates.

The Company has defined the US dollar as its functional currency, therefore, it is exposed to exchange rate risk on transactions in Chilean pesos. The exchange rate risk arises on planned commercial transactions, and on assets and liabilities held in Chilean pesos.

The Company has a net asset balance in Chilean pesos as of June 30, 2020 totaling ThUS\$ 7,131 (net liability of ThUS\$ 9,509 as of December 31, 2019). Therefore, an increase of 5% in the exchange rate results in an exchange loss of ThUS\$ 356 (ThUS\$ 475 as of December 31, 2019), while a decrease of 5% in the exchange rate results in an exchange gain of the same amount.

##### b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risks, since its long-term financing is at a variable interest rate, which is amended every six months.

The Company has a total of ThUS\$ 107,328 (ThUS\$ 98,391 as of December 31, 2019) in bank liabilities denominated in US dollars as of June 30, 2020. Sensitivity analysis on the interest rates for bank loans reveal that a 1% pa movement in interest rates at the reporting date would result in additional or lower interest costs of ThUS\$ 1,073 (ThUS\$ 984 as of December 31, 2019), as appropriate.

## NOTE 5 - FINANCIAL INSTRUMENTS

The Company has financial instruments as of June 30, 2020 and December 31, 2019 valued at their fair value as shown in the following table, and there are no differences between their fair value and book value.

Item	06/30/2020		12/31/2019	
	Book value ThUS\$	Fair value ThUS\$	Book value ThUS\$	Fair value ThUS\$
Financial assets at amortized cost				
Cash and cash equivalents				
Cash balances	25	25	106	106
Bank balances	12,000	12,000	13,761	13,761
Other financial assets	31	31	56	56
Trade and other receivables	19,708	19,708	39,887	39,887
Related party receivables	32,565	32,565	38,600	38,600
Recoverable rights, non-current	1,964	1,964	1,252	1,252
Financial liabilities at amortized cost				
Other financial liabilities	17,328	17,328	8,391	8,391
Operating lease liabilities, current	484	484	810	810
Trade and other payables, current	51,044	51,044	63,949	63,949
Related party payables	7,639	7,639	15,697	15,697
Other financial liabilities, non-current	90,000	90,000	90,000	90,000
Operating lease liabilities, non-current	88	88	270	270

### (i) Trade and other receivables

Trade and other receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business. They are usually settled within a period of 30 days, so are classified as current. Trade and other receivables are initially recognized at the value of the unconditional commitment, unless they contain significant financing components, in which case they are recognized at fair value. The Group accepts trade and other receivables with the objective of collecting the corresponding contractual cash flows and subsequently values them at amortized cost using the effective interest method. The details of Group impairment policies and calculations of impairment loss provisions are included in Note 8 (Trade and other receivables).

The book values of trade and other receivables are treated as equal to their fair values, due to their short-term nature.

Information about the impairment of trade and other receivables and the Group's exposure to credit risk, exchange rate risk and interest rate risk can be found in Note 4 (b) Financial Risk Management.

### (ii) Other financial assets at amortized cost

The Group classifies its financial assets at amortized cost provided they meet the following two criteria:

- The asset is held within a business model that aims to receive contractual cash flows.
- The contractual terms give rise to cash flows that are solely receipts of principal and interest.

These amounts generally come from transactions outside the normal course of business for the Group.

### (iii) Trade and other payables

Trade and other payables are not guaranteed and are generally paid within 60 days of recognition.

The book values of trade and other payables are treated as equal to their fair values, due to their short-term nature.

#### (iv) Loans

Secured liabilities and encumbered assets.

Loans are guaranteed using significant and representative Company assets, which are detailed in Note 31 (Guarantees and contingencies). The Group does not provide any other guarantee using its assets, and ensures that it complies with the financial ratios described in Note 18 (Other current and non-current financial liabilities).

The book values of financial and non-financial assets encumbered in order secure current and non-current loans are disclosed in Note 31 (Guarantees and contingencies).

### NOTE 6 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates and judgments used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable based on the circumstances.

The Company's main accounting estimates as follows.

#### a) Biomass of biological assets

The fish biomass estimate will always be based on assumptions, even though the Company has ample experience with these factors. The estimates take into account the following components: volume of fish biomass, average biomass weights, distribution of fish weights and market prices.

The volume of fish biomass estimate is based on the number of smolts in the sea, their estimated growth and their mortality during the period, etc. Uncertainty with respect to the volume of biomass is normally lower in the absence of mass mortality events or acute diseases during the cycle.

Fish grow at various rates and even though average weights can be accurately estimated, there is always a wide variation in the quality and size of the fish.

The value of fish biomass is based on a normal weight distribution.

#### b) Asset impairment

The recoverable amount of property, plant and equipment is revalued annually according to IAS 36, as the Company has intangible assets with indefinite lives. Factors that are considered an indication of impairment are declining market values, significant changes in the technological environment, obsolescence or physical deterioration, changes in the way the item is used or expected to be used, including ceasing to use it, etc. The Company evaluates whether there is evidence of impairment at each reporting date, which is whether the book value of an item of property, plant and equipment or an intangible asset is greater than its value in use.

It evaluates each Cash Generating Unit (CGU).

CGUs are identified for impairment testing. IAS 36 defines a CGU as "the smallest identifiable group of assets that generates receipts for the Company, which are largely independent of the receipts generated by other assets or groups of assets."

Therefore, given the Company as a whole, the characteristics of its assets and its productive and marketing processes, the Company has defined a policy that the CGU value to compare with future cash flows generated by using its assets, is based on all the non-current assets at the reporting date in the consolidated financial statements, less those assets that are not: Property plant and equipment and intangible assets other than goodwill.

The Company has used a cash flow forecasting model to calculate the value in use of its assets, based on the following assumptions.

1. Ten year evaluation horizon. Investments in the industry are long-term, as are the cycles and risks that affect the biomass. Therefore, a horizon of less than 10 years does not reflect the Company's long term situation.

2. Residual value. The residual value at the end of the horizon.

Forecast cash flows. Cash flows used in the methodology are based on budget data, best estimates and reasonable and substantiated assumptions that represent Management's best estimates, taking into account the prevailing economic conditions during the remaining useful life of the evaluated assets. The most important assumptions are:

2.1. Sales and production volumes.

2.2. Estimated annual inflation of 3% and its impact on prices, sales and administration costs, and other costs.

3. Cash flow forecasts are brought to present value using a discount rate that reflects the time value of money and the risks specific to the asset. The Weighted Average Cost of Capital (WACC) rate is used, calculated on the basis of the following variables: The Company or industry beta; the risk-free rate of return; the market rate of return; the cost of the Company's financial debt; and the long-term target debt / equity ratio.

This evaluation resulted in no indications of asset impairment.

Except for the estimated biomass of the biological assets, Management believes that these consolidated financial statements do not contain any assumptions about the future or other uncertain estimates that risk causing significant adjustments to this accounting period and the next.

## NOTE 7 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows.

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Cash balances	25	106
Bank balances	12,000	13,761
Total cash and cash equivalents	12,025	13,867

## NOTE 8 - TRADE AND OTHER RECEIVABLES

Trade and other receivables are as follows.

	06/30/2020			12/31/2019		
	Trade receivables	Doubtful debt provision	Net trade receivables	Trade receivables	Doubtful debt provision	Net trade receivables
Customers	12,510	(58)	12,452	38,027	(160)	37,867
Insurance receivables	4,022	-	4,022	-	-	-
Sundry debtors	3,219	-	3,219	2,020	-	2,020
Staff receivables	15	-	15	-	-	-
<b>Total</b>	<b>19,766</b>	<b>(58)</b>	<b>19,708</b>	<b>40,047</b>	<b>(160)</b>	<b>39,887</b>

Salmones Camanchaca S.A. does not have any receivables that are guaranteed or renegotiated or any payments that have been rejected and have entered a judicial collection process. It has not factored any of its receivables during the period 2020 and 2019.

The Company has no financial assets as of the reporting date that are in default and not impaired.

The insurance receivable is the estimated compensation for the incident that occurred at the Islotes site associated with the loss of biomass and aquaculture equipment after the deductibles and limits that apply to the respective insurance policies.

Classification of receivables by due date.

Overdue ranges	06/30/2020				12/31/2019			
	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThUS\$	Doubtful debt provision ThUS\$	Net trade receivables ThUS\$	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThUS\$	Impaired receivables provision ThUS\$	Net trade receivables ThUS\$
Not yet due	98	6,161	-	6,161	120	4,219	-	4,219
1- 30 days	97	5,051	-	5,051	561	22,433	-	22,433
31- 60 days	20	2,212	-	2,212	47	8,268	-	8,268
61- 90 days	17	1,514	-	1,514	8	1,477	-	1,477
90- 120 days	23	3,293	-	3,293	57	2,369	-	2,369
121- 150 days	7	1,230	-	1,230	15	581	-	581
151- 180 days	19	247	-	247	6	540	-	540
181- 210 days	14	-	-	-	13	6	(6)	-
211- 250 days	7	-	-	-	13	96	(96)	-
>250 days	112	58	(58)	-	99	58	(58)	-
<b>Total</b>	<b>414</b>	<b>19,766</b>	<b>(58)</b>	<b>19,708</b>	<b>939</b>	<b>40,047</b>	<b>(160)</b>	<b>39,887</b>

Movements in the non-collectable portfolio were as follows:

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Opening balance	(160)	(450)
Reversal for payments received	846	523
Increases	(744)	(233)
<b>Closing balance</b>	<b>(58)</b>	<b>(160)</b>

## NOTE 9 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include the following entities and individuals.

- a) Shareholders that can exercise control
- b) Subsidiaries and their members
- c) Parties with sufficient interest to give them significant influence
- d) Parties with joint control
- e) Associates
- f) Interests in joint ventures
- g) Senior management of the entity or of its parent company
- h) Close relatives of individuals described in the previous points
- i) An entity that controls, or jointly controls, and is significantly influenced by any of the individuals described in the two previous points.

Generally transactions with related companies are not subject to special conditions. These transactions are in accordance with Law 18,046 governing Corporations and with IAS 24.

Transactions with related companies are performed under conditions identical to other transactions regularly carried out by the Company.

Transferring current and non-current funds between related companies, which do not relate to the collection or payment of services, are structured using commercial current accounts.

- a) Related party receivables are as follows:

- Current

	Chilean ID Number	Country	Payment terms	Currency	06/30/2020 Current ThUS\$	12/31/2019 Current ThUS\$
Camanchaca Inc.	Foreign	USA	Under 30 days	US\$	21,763	30,506
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Under 30 days	US\$	9,167	6,485
Camanchaca S.A.	93,711,000-6	Chile	Under 30 days	Ch\$	772	888
Camanchaca Cultivos Sur S.A.	96.633.150-K	Chile	Under 30 days	Ch\$	279	306
Camanchaca Pesca Sur S.A.	76,143,821-2	Chile	Under 30 days	Ch\$	230	78
Transportes Interpolar Ltda.	77,970,900-0	Chile	Under 30 days	Ch\$	354	337
<b>Total</b>					<b>32,565</b>	<b>38,600</b>

- b) Related party payables are as follows:

- Current

	Chilean ID Number	Country	Payment terms	Currency	06/30/2020 Current ThUS\$	12/31/2019 Current ThUS\$
Camanchaca S.A.	93,711,000-6	Chile	Under 30 days	Ch\$	2,104	9,748
Transportes Interpolar Ltda.	77,970,900-0	Chile	Under 30 days	Ch\$	1,447	2,734
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Under 30 days	US\$	175	62
Inmobiliaria Camanchaca S.A.	96,786,700-4	Chile	Under 30 days	Ch\$	2,498	2,453
Camanchaca Pesca Sur S.A.	76,143,821-2	Chile	Under 30 days	Ch\$	964	493
Camanchaca Cultivos Sur S.A.	96.633.150-K	Chile	Under 30 days	Ch\$	10	0
Frigorífico Pacífico S.A.	77,858,550-2	Chile	Under 30 days	Ch\$	53	138
Surproceso S.A.	76,346,370-2	Chile	Under 30 days	Ch\$	386	0
Codepack S.A.	96,974,100-8	Chile	Under 30 days	Ch\$	2	14
New World Currents Ltd.*	Foreign	Hong Kong	Under 30 days	US\$	-	55
<b>Total</b>					<b>7,639</b>	<b>15,697</b>

\* As of May 2020, New World Currents Ltd. is no longer related to Salmones Camanchaca S.A.

- c) Transactions with related companies for over ThUS\$20 and their effects on the statement of net income for the periods ended June 30, 2020 and 2019 are as follows.

Company	Chilean ID number	Country	Relationship	Description	Currency	06/30/2020		12/31/2019	
						Amount ThUS\$	Effect on net income (Charge)/Credit ThUS\$	Amount ThUS\$	Effect on net income (Charge)/Credit ThUS\$
Camanchaca Inc.	Foreign	USA	Common shareholder	Product sales	US\$	69,994	1,401	55,697	11,092
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Common shareholder	Product sales	US\$	13,374	2,877	9,567	2,574
Camanchaca S.A.	93,711,000-6	Chile	Parent company	Administrative services	US\$	3,155	(3,155)	3,078	(3,078)
Camanchaca S.A.	93,711,000-6	Chile	Parent company	Product sales	Ch\$	230	17	297	12
Camanchaca S.A.	93,711,000-6	Chile	Parent company	Office leases	US\$	116	116	-	-
Camanchaca Pesca Sur S.A.	76,143,821-2	Chile	Common shareholder	Product sales	Ch\$	247	9	292	12
Camanchaca Pesca Sur S.A.	76,143,821-2	Chile	Common shareholder	Operating services	US\$	454	381	56	47
Camanchaca Pesca Sur S.A.	76,143,821-2	Chile	Common shareholder	Plant lease	US\$	183	-	6	-
Camanchaca Cultivos Sur S.A.	96.633.150-K	Chile	Common shareholder	Product sales	Ch\$	61	3	59	2
Camanchaca Cultivos Sur S.A.	96.633.150-K	Chile	Common shareholder	Product purchases	Ch\$	10	-	13	-
Transportes Interpolar Ltda.	77,970,900-0	Chile	Common shareholder	Transport services	Ch\$	3,084	(2,591)	1,787	(1,502)
Inmobiliaria Camanchaca S.A.	96,786,700-4	Chile	Common shareholder	Rental services	US\$	690	(580)	690	(580)
Surproceso S.A.	76,346,370-2	Chile	Associate	Salmon processing	Ch\$	1,775	-	1,994	-
Frigorífico Pacífico S.A.	77,858,550-2	Chile	Director and subsidiary shareholder	Leased refrigerators	Ch\$	918	-	-	-
Codepack S.A.	96,974,100-8	Chile	Related Director	Packaging	Ch\$	56	(47)	37	(31)

- d) Remuneration and benefits received by the Board and Senior Management.

The Company is managed by a Board of Directors, whose members received fees totaling ThUS\$ 186 during 2020 (ThUS\$ 155 in 2019).

The remuneration of Senior Management during the period was ThUS\$ 516 (ThUS\$ 592 in 2019).

## NOTE 10 - INVENTORIES

Inventories as of each reporting date are as follows.

	Unit of		06/30/2020		12/31/2019	
	Measure	Quantity	ThUS\$	Quantity	ThUS\$	
Finished products*	Kilo	3,078,479	23,918	3,894,549	25,690	
Fair value of biological assets harvested but not sold*	N/A	-	56	-	2,639	
Production supplies	N/A	-	7,678	-	6,213	
Net realizable value provision*	N/A	-	(2,978)	-	(1,195)	
Decrease in provisions	N/A	-	(302)	-	(472)	
Total			28,372		32,875	

\* Total finished product inventory at net realizable value plus fair value.

Quantities are for finished products and differences in processes, qualities or value added are not distinguished.

Group inventories are valued at the lower of cost or net realizable value.

### 10.1 Information on finished products

The Company has not written off any finished products at the reporting dates.

The Company has not pledged inventories of finished products in guarantee as of June 30, 2020 and December 31, 2019.

The Company has insurance covering its inventories of finished products (Stock Throughput), which includes raw materials (at agreed value or cost), consumables (cost value) and work-in-process and finished products (agreed value).

### 10.2 Reconciliation of finished products

Movements in finished products are as follows.

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Opening balance	27,134	17,668
Increases for production costs	26,931	47,926
Increases for harvested biological assets	86,299	204,740
Cost of sales	(113,807)	(240,346)
Fair value of harvested biological assets in inventory	22,299	79,520
Fair value of harvested biological assets sold	(24,882)	(81,179)
Net realizable value provision	(2,978)	(1,195)
<b>Closing balance</b>	<b>20,996</b>	<b>27,134</b>

Cost of sales is composed as follows.

	06/30/2020 ThUS\$	06/30/2019 ThUS\$
Cost of products sold	113,807	91,946
Cost of services	1,855	942
Cost of smolts sold	1,036	2,157
Cost of fallow periods	5,034	2,516
Mortality costs	965	604
<b>TOTAL</b>	<b>122,697</b>	<b>98,165</b>



## NOTE 11 - BIOLOGICAL ASSETS

Biological assets are composed of Atlantic and Pacific salmon, which are valued at fair value.

	06/30/2020	12/31/2019
Item	ThUS\$	ThUS\$
Total Biological Assets	130,642	142,615

Movements in biological assets are as follows.

	06/30/2020	12/31/2019
	ThUS\$	ThUS\$
Opening balance as of January 1	142,615	131,687
Increases from growing-out and production	95,440	219,775
Decreases from harvests (measured at cost)	(86,299)	(204,740)
Smolt selling costs	(1,036)	(2,157)
Fair value adjustment for the period	8,543	81,490
Fair value of harvested biological assets, transferred to inventories	(22,299)	(79,520)
Mortality losses	(965)	(3,920)
Loss of fish due to accident	(5,357)	-
Closing balance	130,642	142,615

Biological assets are as follows:

Biomass as of 06/30/2020	Thousand units	Final biomass Ton.	Production costs ThUS\$	Fair value adjustments ThUS\$	Total cost ThUS\$
Fish in sea water	11,235	30,034	116,080	1,874	117,954
Fish in fresh water	28,520	695	12,688	-	12,688
		Total	128,768	1,874	130,642

Biomass as of 12/31/2019	Thousand units	Final biomass Ton.	Production costs ThUS\$	Fair value adjustments ThUS\$	Total cost ThUS\$
Fish in sea water	12,337	32,368	113,385	15,631	129,016
Fish in fresh water	21,276	643	13,599	-	13,599
		Total	126,984	15,631	142,615

Movements in the fair value adjustment of biological assets are as follows.

	06/30/2020	12/31/2019
	ThUS\$	ThUS\$
Opening fair value of biological assets	18,270	17,959
Increase due to biological adjustments for the period	8,543	81,490
Less: Fair value adjustment for sales of inventories	(24,882)	(81,179)
Closing fair value	1,931	18,270

Sensitivity analysis on the effect on fair value, due to an increase or decrease in price at the reporting date is as follows.

SPECIES	Change in ThUS\$			
	Increase US\$0.1	Decrease US\$0.1	Increase US\$0.2	Decrease US\$0.2
Atlantic salmon	1,097	(1,015)	2,263	(2,363)

#### NOTE 12 - OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

Other current and non-current non-financial assets are as follows.

	06/30/2020		12/31/2019	
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-Current ThUS\$
Insurance policies	665	-	1,038	-
Recoverable taxes	5,497	-	5,834	-
Prepaid expenditure at centers	883	-	854	-
Other prepaid expenditure	675	112	792	112
Total	7,720	112	8,518	112

#### NOTE 13 - EQUITY METHOD INVESTMENTS

Investments in associates as of June 30, 2020 are as follows.

Chilean ID number	Name	Country	Investments in associates ThUS\$	Interest %
77,970,900-0	Surproceso S.A.	Chile	4,551	33.33
Total			4,551	

\* As of May 2020, Salmones Camanchaca S.A. has ceased to invest in New World Currents Ltd., this disposal generated a loss of ThUS\$ 50 in the statement of net income.

Investments in associates as of December 31, 2019 are as follows.

Chilean ID number	Name	Country	Investments in associates ThUS\$	Interest %
77,970,900-0	Surproceso S.A.	Chile	4,750	33.33
Foreign	New World Currents Inc.	Hong Kong	55	25.00
Total			4,805	

A summary of these associate's assets and liabilities are as follows.

	06/30/2020		12/31/2019	
	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$
Current	6,519	1,194	7,370	2,282
Non-current	8,328	13,653	9,382	14,470
Total	14,847	14,847	16,752	16,752

Operating revenue and net income for the period for these associates are as follows.

	As of 06/30/2020 ThUS\$	As of 12/31/2019 ThUS\$
Operating revenue	9,355	21,586
Net income for period	2,488	4,823

#### NOTE 14 - TAX ASSETS AND RIGHTS RECEIVABLE

Current tax assets are as follows.

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Monthly provisional tax payments	9,635	3,808
Provisional payment for absorbed profits	601	737
Training expenses, Sence	24	218
Other recoverable taxes	54	98
<b>Total</b>	<b>10,314</b>	<b>4,861</b>

Non-current rights receivable are as follows.

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Tax incentive for investment (1)	1,964	1,252
<b>Total</b>	<b>1,964</b>	<b>1,252</b>

(1) The tax incentive is for investments in the Aysen Region, in accordance with Law 19,606 (Ley Austral). The deadline to recover this incentive is 2045, by discounting it from corporate income tax.

#### NOTE 15 - INTANGIBLE ASSETS OTHER THAN GOODWILL

Non-internally created intangible assets are as follows.

	Useful life	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Aquaculture concessions and water rights	Indefinite	6,972	6,948
<b>Total</b>		<b>6,972</b>	<b>6,948</b>

Movements of intangible assets as of June 30, 2020 and December 31, 2019, are as follows:

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Opening balance as of January 1	6,948	6,948
Additions	24	-
<b>Closing balance</b>	<b>6,972</b>	<b>6,948</b>

## Water rights

Number	DGA Resolution No	Water source	Location	Owner	Status
1	494/1990	Superficial and Current	Puerto Varas	Salmones Camanchaca	Granted
2	046/2011	Underground	Puerto Varas	Salmones Camanchaca	Granted
3	200/1998	Superficial and Current	Purranque	Salmones Camanchaca	Granted
4	154/2008	Superficial and Current	Puerto Varas	Salmones Camanchaca	Granted
5	184/2001	Underground	Puerto Varas	Salmones Camanchaca	Granted
6	318/2003	Underground	Puerto Varas	Salmones Camanchaca	Granted
7	235/2009	Underground	Puerto Varas	Salmones Camanchaca	Granted
8	931/2013	Underground	Puerto Varas	Salmones Camanchaca	Granted
9	263/2008	Superficial and Detained	Frutillar	Salmones Camanchaca	Granted
10	356/1998	Superficial and Current	Frutillar	Salmones Camanchaca	Granted
11	001/2010	Underground	Frutillar	Salmones Camanchaca	Granted
12	468/2004	Superficial and Current	Cochamo	Salmones Camanchaca	Granted
13	468/2004	Superficial and Current	Puerto Montt	Salmones Camanchaca	Granted
14	468/2004	Superficial and Current	Puerto Montt	Salmones Camanchaca	Granted
15	468/2004	Superficial and Current	Puerto Montt	Salmones Camanchaca	Granted
16	468/2004	Superficial and Current	Cochamo	Salmones Camanchaca	Granted
17	134/2006	Superficial and Current	Cochamo	Salmones Camanchaca	Granted
18	N/A	Superficial and Current	Antuco	Salmones Camanchaca	Granted
19	N/A	Superficial and Current	Antuco	Salmones Camanchaca	Granted
20	390/2007	Underground	Calbuco	Salmones Camanchaca	Granted
21	150/2015	Superficial and Current	Chaitén	Salmones Camanchaca	Granted
22	Denied	Superficial and Current	Chaitén	Salmones Camanchaca	Denied
23	109/2015	Superficial and Current	Chaitén	Salmones Camanchaca	Granted
24	149/2015	Superficial and Current	Chaitén	Salmones Camanchaca	Granted
25	In process	Superficial and Current	Puerto Varas	Salmones Camanchaca	Requested
26	In process	Superficial and Current	Purranque	Salmones Camanchaca	Requested
27	012/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
28	183/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
29	126/1999	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
30	360/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
31	1239/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
32	124/1999	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
33	429/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
34	269/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
35	692/2000	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
36	137/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
37	161/2001	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
38	356/1997	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
39	685/1997	Superficial and Current	Purranque	Fiordo Blanco S.A	Granted
40	246/2006	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
41	397/2004	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
42	496/2004	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
43	In process	Superficial and Current	Puerto Varas	Fiordo Blanco S.A	Requested

# Salmon concessions

Name	Region	Macro zone	Number of concessions (District)	Municipality	Sea water or fresh water	Surface area	Status (Use, Fallow, Other)
Playa Maqui (Center of Lake)	X	6	1	Frutillar	Fresh Water	7.5	Use
Chaiquen	X	1	1	Puerto Varas	Sea Water	3.74	Use
Pucheguin	X	1	1	Cochamo	Sea Water	3	Use
Pucheguin coast	X	1	1	Cochamo	Sea Water	9	Fallow
Farellones	X	1	1	Cochamo	Sea Water	21.06	Use
Marimelli	X	1	1	Cochamo	Sea Water	24.98	Fallow
Chilco River 1	X	1	1	Cochamo	Sea Water	6	Fallow
Chilco River 2	X	1	1	Cochamo	Sea Water	6.75	Fallow
Cascajal	X	1	1	Cochamo	Sea Water	9	Use
Factoría	X	1	1	Cochamo	Sea Water	9	Fallow
Puelche	X	1	2	Hualaihue	Sea Water	7.54	Fallow
Manihueico	X	1	2	Hualaihue	Sea Water	15	Use
Contao	X	1	2	Hualaihue	Sea Water	15	Use
Chagual River	X	1	2	Hualaihue	Sea Water	7.2	Fallow
Aulen	X	1	2	Hualaihue	Sea Water	3.25	Fallow
San José	X	1	3b	Calbuco	Sea Water	3.75	Use
Penasmo	X	1	3b	Calbuco	Sea Water	28.56	Use
Pilpilehue	X	3	10b	Chonchi	Sea Water	32	Fallow
Ahoni	X	3	10b	Queilen	Sea Water	33.45	Fallow
Pumalín	X	5	14	Chaitén	Sea Water	5.58	Use
Islets	X	5	14	Chaitén	Sea Water	36	Use
Edwards	X	O	15	Chaitén	Sea Water	9.04	Use
Yelcho	X	5	16	Chaitén	Sea Water	4.5	Fallow
Chilco	X	5	16	Chaitén	Sea Water	6.5	Fallow
Fiordo Largo	X	5	16	Chaitén	Sea Water	6	Use
Cabudahue	X	5	16	Chaitén	Sea Water	6	Use
Pillán	X	5	16	Chaitén	Sea Water	19.63	Fallow
Isla Nieves	X	5	16	Chaitén	Sea Water	6.5	Use
Puerto Argentino	X	5	16	Chaitén	Sea Water	6.5	Use
Reñihue 3	X	5	16	Chaitén	Sea Water	6.32	Fallow
Loncochalgua	X	5	17a	Hualaihue	Sea Water	8	Fallow
Porcelana	X	5	17a	Chaitén	Sea Water	18.54	Fallow
Leptepu	X	5	17a	Chaitén	Sea Water	24.5	Fallow
Cahuelmó	X	5	17a	Hualaihue	Sea Water	8	Fallow
Piedra Blanca	X	5	17a	Hualaihue	Sea Water	2	Fallow
Marilmó	X	5	17a	Chaitén	Sea Water	3	Fallow
Arbolito	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Lamalec	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Northeast Garrao 1	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Piure Stream	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Filomena 2	XI	6	18b	Cisnes	Sea Water	12.5	Fallow

Name	Region	Macro zone	Number of concessions (District)	Municipality	Sea water or fresh water	Surface area	Status (Use, Fallow, Other)
East Lamalec	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
East Filomena	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Chonos	XI	6	18c	Cisnes	Sea Water	12.5	Use
Licha	XI	6	18c	Cisnes	Sea Water	12.5	Fallow
Garrao	XI	6	18c	Cisnes	Sea Water	12.5	Fallow
Gallo Stream	XI	6	18c	Cisnes	Sea Water	12.5	Fallow
Southwest Leucayec	XI	6	18c	Guaitecas	Sea Water	11.08	Use
Piure Channel	XI	6	18c	Cisnes	Sea Water	12.5	Use
Northeast Francisco	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
East Jechica	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
South Garrao	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
South Jechica	XI	6	18d	Cisnes	Sea Water	12.5	Use
West Filomena	XI	6	18d	Cisnes	Sea Water	12.5	Use
SWest Filomena	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
Carmencita	XI	6	18d	Cisnes	Sea Water	6.06	Fallow
Forsyth	XI	6	19a	Cisnes	Sea Water	8.45	Fallow
Johnson 1	XI	6	19a	Cisnes	Sea Water	10.6	Use
Johnson 2	XI	6	19a	Cisnes	Sea Water	6.35	Fallow
Midhurst	XI	6	19a	Cisnes	Sea Water	N/A	Fallow
Tahuenahuec	XI	6	20	Cisnes	Sea Water	5.52	Fallow
Benjamin	XI	6	20	Cisnes	Sea Water	50.88	Fallow
King	XI	6	20	Cisnes	Sea Water	29.38	Use
Punta Alta	XI	6	20	Cisnes	Sea Water	26.56	Fallow
No Name	XI	6	20	Cisnes	Sea Water	17.84	Fallow
South Izaza	XI	6	20	Cisnes	Sea Water	8.96	Use
Martita	XI	6	20	Cisnes	Sea Water	17.57	Fallow
Paso Lautaro	XI	6	20	Cisnes	Sea Water	9.8	Use
Southwest Tahuenahuec	XI	6	20	Cisnes	Sea Water	14.64	Fallow
Southeast Izaza	XI	6	20	Cisnes	Sea Water	6.62	Fallow
Port Róbal	XI	6	20	Cisnes	Sea Water	14.07	Fallow
Williams 1	XI	6	21d	Cisnes	Sea Water	11.95	Fallow
Williams 2	XI	6	21d	Cisnes	Sea Water	10.28	Fallow
Williams Sector 2	XI	6	21d	Cisnes	Sea Water	N/A	Use

# NOTE 16 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and its movements are as follows.

	Land ThUS\$	Buildings ThUS\$	Plant and equipment ThUS\$	Vessels ThUS\$	Vehicles ThUS\$	Other property, plant and equipment ThUS\$	Total property, plant and equipment ThUS\$
Balance as of January 1, 2020							
Cost or valuation	5,307	45,561	175,756	2,773	893	4,506	234,796
Accumulated depreciation	-	(18,930)	(97,613)	(2,542)	(450)	(3,373)	(122,908)
Net balance as of January 1, 2020	5,307	26,631	78,143	231	443	1,133	111,888

Additions	-	289	8,882	4	-	239	9,414
Disposals	-	(8)	(546)	-	-	(27)	(581)
Transfers	-	3,340	(3,497)	11	-	146	-
Depreciation	-	(757)	(6,198)	(11)	-	(343)	(7,309)
Balances as of June 30, 2020	5,307	29,495	76,784	235	443	1,148	113,412

	Land ThUS\$	Buildings ThUS\$	Plant and equipment ThUS\$	Vessels ThUS\$	Vehicles ThUS\$	Other property, plant and equipment ThUS\$	Total property, plant and equipment ThUS\$
Balance as of January 1, 2019							
Cost or valuation	5,307	41,335	148,272	2,773	138	4,318	202,143
Accumulated depreciation	-	(17,594)	(86,990)	(2,502)	(101)	(2,687)	(109,874)
Net balance as of January 1, 2019	5,307	23,741	61,282	271	37	1,631	92,269

Additions *	-	1,417	32,412	-	783	-	34,612
Disposals	-	(63)	(1,878)	-	(28)	10	(1,959)
Transfers	-	2,872	(3,050)	-	-	178	-
Depreciation	-	(1,336)	(10,623)	(40)	(349)	(686)	(13,034)
Balances as of December 31, 2019	5,307	26,631	78,143	231	443	1,133	111,888

\* Contains Austral law credit reductions of ThUS\$4,288 in 2019.

Property, plant and equipment as of June 30, 2020 is as follows.

	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Land	5,307	-	5,307
Buildings	49,170	(19,675)	29,495
Plant and equipment	179,458	(102,817)	76,641
Vessels	2,788	(2,553)	235
Motor vehicles	109	(102)	7
Other property, plant and equipment	4,831	(3,716)	1,115
Right-to-use assets*	1,966	(1,354)	612
<b>Total</b>	<b>243,629</b>	<b>(130,217)</b>	<b>113,412</b>

\* Right-to-use leased assets are mainly site equipment and transport vehicles for the business, according to IFRS 16. These leasing contracts are normally for a 3 year period.

Property, plant and equipment as of December 31, 2019 is as follows.

	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Land	5,307	-	5,307
Buildings	45,561	(18,930)	26,631
Plant and equipment	175,098	(97,613)	77,485
Vessels	2,774	(2,543)	231
Motor vehicles	457	(450)	7
Other property, plant and equipment	4,506	(3,373)	1,133
Right-to-use assets*	1,966	(872)	1,094
<b>Total</b>	<b>235,669</b>	<b>(123,781)</b>	<b>111,888</b>

a) Valuation

Management has chosen the cost model as its accounting policy, and has applied this policy to all items in property, plant and equipment.

b) Depreciation method

The depreciation method applied to all items of property, plant and equipment (excluding land) is the straight line method, which produces a constant expense over their useful life.

The distribution of the depreciation expense is as follows.

	Administrative expense ThUS\$	Distribution expense ThUS\$	Production ThUS\$	Total ThUS\$
Depreciation	52	40	7,217	7,309

c) Property, plant and equipment subject to guarantees or restrictions

The Company has mortgaged and pledged property, plant and equipment to guarantee the syndicated loan, and the details are disclosed in Note 32.



d) Insurance

The Company has insurance policies to cover the risks to items of property, plant and equipment, including in some cases loss of profit or loss due to strikes. The Company constantly analyzes its insurance cover to ensure that it is reasonable when compared to the risks inherent to its business.

e) The gross value of properties, plant and equipment items that are fully depreciated and still in use are as follows.

	06/30/2020 Gross value ThUS\$	12/31/2019 Gross value ThUS\$
Buildings	7,383	7,458
Plant and equipment	36,481	36,120
Vessels	2,170	2,214
Motor vehicles	84	86
<b>Total</b>	<b>46,118</b>	<b>45,878</b>

f) There are no items of property, plant and equipment that are no longer actively used, but not classified as held for sale, in accordance with IFRS 5.

g) Management believes that all items of property, plant and equipment have fair values that are not significantly different from their book values.

## NOTE 17 - INCOME AND DEFERRED TAXES

Deferred tax assets and liabilities are as follows.

	06/30/2020		12/31/2019	
	Deferred tax assets ThUS\$	Deferred tax liabilities ThUS\$	Deferred tax assets ThUS\$	Deferred tax liabilities ThUS\$
Tax losses	2,822	-	1,939	-
Inventory provisions	-	804	78	245
Staff vacation provisions	-	346	-	363
Staff severance indemnity provision	-	34	-	37
Doubtful debt provisions	-	16	-	43
Prepaid revenue	-	200	-	2,363
Leases (Right-to-use)	-	(11)	-	292
Property, plant and equipment	33	(1,090)	48	(729)
Manufacturing expenses	-	(12,144)	-	(14,208)
Concessions	(770)	(23)	(762)	(34)
Biological assets	695	(1,216)	116	(5,298)
Other provisions	-	26	-	30
Other property, plant and equipment	-	(176)	-	(214)
<b>Total</b>	<b>2,780</b>	<b>(13,234)</b>	<b>1,419</b>	<b>(17,110)</b>

Income taxes are as follows.

	06/30/2020 ThUS\$	06/30/2019 ThUS\$
Current tax expense	(13)	(2,173)
Tax expense adjustment (prior period)	567	1,178
Deferred tax expense for the period	5,237	(2,726)
<b>Total</b>	<b>5,791</b>	<b>(3,721)</b>

Reconciliation of tax expense using statutory rate to tax expense using effective rate.

	06/30/2020 ThUS\$	06/30/2019 ThUS\$
Income tax expense using the statutory rate	5,492	(3,975)
Income tax on salaries and wages	(13)	(14)
Tax effect of non-taxable revenue	224	273
Tax effect of non-deductible expenses	88	(5)
<b>Total</b>	<b>5,791</b>	<b>(3,721)</b>
<b>Effective rate</b>	<b>28.47%</b>	<b>25.27%</b>

#### NOTE 18 - OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Other financial liabilities are as follows.

Current

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Interest-bearing loans	17,328	8,391
<b>Total current</b>	<b>17,328</b>	<b>8,391</b>

Non-current

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Interest-bearing loans	90,000	90,000
<b>Total non-current</b>	<b>90,000</b>	<b>90,000</b>

On November 27, 2017 Salmones Camanchaca S.A. and its parent company Camanchaca S.A. signed a debt rescheduling, financing commitment and joint and several guarantee contract with DNB Bank ASA, Cooperative Rabobank U.A. and Banco Santander Chile S.A., as legalized in a public deed. It rescheduled these companies liabilities as of that date totaling US\$ 165 million. The rescheduling covers three financing tranches.

- Tranche A conditions
  - Debtor: Camanchaca S.A.
  - Quantity: approximately US\$ 25 million.
  - Maturity: November 2019, fully prepaid on February 12, 2018 when the Salmones Camanchaca S.A. IPO took place.
  - Six-monthly repayments in four equal installments from May 27, 2018 to November 27, 2019, unless the IPO for Salmones Camanchaca S.A. is approved, in which case the loan will be fully repaid from these funds.
  - Rate: Applicable Margin + Libor for the defined period
- Tranche B conditions (renegotiated in February 2020)
  - Debtor: Camanchaca S.A.
  - Quantity: approximately US\$ 40 million.
  - Maturity: November 2024.
  - Six-monthly repayments in six installments from May 27, 2022 to November 27, 2024, which will depend on the amount drawn down on the payment date.
  - Rate: Applicable Margin + Libor for the defined period
- Tranche C conditions
  - Debtor: Salmones Camanchaca S.A.
  - Quantity: approximately US\$ 100 million.
  - Maturity: November 2022.
  - Six-monthly repayments in two equal installments of 10% of the line on November 27, 2020 and November 27, 2021, plus a final installment for the remaining 80% of the debt on November 27, 2022.
  - Rate: Applicable Margin + Libor for the defined period

The costs of tranches A, B and C are represented by a margin over LIBOR, which depends on the extent of borrowing measured every six months as the ratio between the previous twelve months EBITDA and Net Borrowing, and this margin will fluctuate between 2.25% and 3.25%.

The Company's most representative and significant assets are pledged in guarantee.

The current loan has the following financial covenants:

- a) Debt ratio must not exceed 4 times, defined as the ratio of Net Financial Debt to EBITDA for the last 12 calendar months.
- b) Equity ratio must be at least 40%, defined as the ratio of Total Equity to Total Assets.

These ratios must be measured every quarter, and they have both been met.

On April 23, 2019, Salmones Camanchaca S.A. requested US\$44 million as a disbursement from the line bringing the total to US\$94 million under Tranche C. Additionally, it has short-term loans at 180-day EAP from BCI and Santander banks that total US\$ 13 million.

Interest-bearing loans

Obligations that mature in under 12 months

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
DNB Bank ASA	1,360	1,360
Rabobank Cooperate U.A.	1,840	1,840
Banco Santander	5,800	800
Banco Crédito e Inversiones	8,000	4,000
Interest payable	328	391
<b>Total</b>	<b>17,328</b>	<b>8,391</b>

Obligations that mature in over 12 months

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
DNB Bank ASA	30,600	30,600
Rabobank Cooperate U.A.	41,400	41,400
Banco Santander	18,000	18,000
<b>Total</b>	<b>90,000</b>	<b>90,000</b>

The Company's loans are as follows.

a) As of June 30, 2020

											Current			Non-Current			
											Maturity		Total current	Maturity			Total non-current
														1 to 3 years	3 to 5 years	Over 5 years	
Debtor ID Number	Debtor	Country	Creditor ID Number	Creditor	Country	Currency	Repayments	Nominal rate	Effective rate	Guarantees	Under 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 5 years	
76-065.596-1	Salmones Camanchaca S.A.	Chile	0-E	DNB Bank ASA	Noruega	US\$	Semiannually and at maturity	2,82	2,82	% of assets	-	1.445	1.445	30.600	-	-	30.600
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.036.000-k	Banco Santander	Chile	US\$	Semiannually and at maturity	2,82	2,82	% of assets	-	850	850	18.000	-	-	18.000
76-065.596-1	Salmones Camanchaca S.A.	Chile	0-E	Rabobank Cooperate U.A.	Holanda	US\$	Semiannually and at maturity	2,82	2,82	% of assets	-	1.955	1.955	41.400	-	-	41.400
76-065.596-1	Salmones Camanchaca S.A.	Chile	97.006.000-6	Banco de Crédito e inversiones	Chile	US\$	Semiannually and at maturity	4,53	4,53	% of assets	-	4.036	4.036	-	-	-	-
76-065.596-1	Salmones Camanchaca S.A.	Chile	97.006.000-6	Banco de Crédito e inversiones	Chile	US\$	Semiannually and at maturity	2,31	2,31	% of assets	4.027	-	4.027	-	-	-	-
76-065.596-1	Salmones Camanchaca S.A.	Chile	97.006.000-6	Banco de Crédito e inversiones	Chile	US\$	Semiannually and at maturity	2,50	2,50	% of assets	0	5.015	5.015	-	-	-	-
											4.027	13.301	17.328	90.000	-	-	90.000

b) As of December 31, 2019

											Current			Non-Current				
											Maturity		Total current	Maturity			Total non-current	
											Under 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 5 years		
Debtor ID Number	Debtor	Country	Creditor ID Number	Creditor	Country	Currency	Repayments	Nominal rate	Effective rate	Guarantees								
76-065.596-1	Salmones Camanchaca S.A.	Chile	0-E	DNB Bank ASA	Noruega	US\$	Semiannually and at maturity	4,17	4,17	% of assets		-	1.486	1.486	30.600	-	-	30.600
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.036.000-k	Banco Santander	Chile	US\$	Semiannually and at maturity	4,17	4,17	% of assets		-	874	874	18.000	-	-	18.000
76-065.596-1	Salmones Camanchaca S.A.	Chile	0-E	Rabobank Cooperate U.A.	Holanda	US\$	Semiannually and at maturity	4,17	4,17	% of assets		-	2.010	2.010	41.400	-	-	41.400
76-065.596-1	Salmones Camanchaca S.A.	Chile	97.006.000-6	Banco de Crédito e inversiones	Chile	US\$	Semiannually and at maturity	2,81	2,81	% of assets		-	4.021	4.021	-	-	-	-
											-	8.391	8.391	90.000	-	-	-	90.000

Reconciliation of financial obligations for the statement of cash flows:

a) As of June 30, 2020

Other financial liabilities	Balance as of January 1, 2020 ThUS\$	Cash Flows			Accrual  ThUS\$	Others  ThUS\$	Balance as of June 30, 2020 ThUS\$
		Payments		Acquisitions  ThUS\$			
		Capital ThUS\$	Interest ThUS\$				
Current							
Bank loans	8,391	-	(2,125)	9,000	2,062	-	17,328
Total other financial liabilities, current	8,391	-	(2,125)	9,000	2,062	-	17,328
Non-current							
Bank loans	90,000	-	-	-	-	-	90,000
Total other financial liabilities, non-current	90,000	-	-	-	-	-	90,000
Total other financial liabilities	98,391	-	(2,125)	9,000	2,062	-	107,328

b) As of December 31, 2019

Other financial liabilities	Balance as of January 1, 2019 ThUS\$	Cash Flows			Accrual  ThUS\$	Others  ThUS\$	Balance as of December 31, 2019 ThUS\$
		Payments		Acquisitions  ThUS\$			
		Capital ThUS\$	Interest ThUS\$				
Current							
Bank loans	243	(5,000)	(3,884)	9,000	4,032	4,000	8,391
Total other financial liabilities, current	243	(5,000)	(3,884)	9,000	4,032	4,000	8,391
Non-current							
Bank loans	50,000	-	-	44,000	-	(4,000)	90,000
Total other financial liabilities, non-current	50,000	-	-	44,000	-	(4,000)	90,000
Total other financial liabilities	50,243	(5,000)	(3,884)	53,000	4,032	-	98,391

## NOTE 19 - LEASE LIABILITIES

These include obligations arising from commercial operating leases with third parties, which were signed in the normal course of business.

As of June 30, 2020 and December 31, 2019, lease liabilities are as follows:

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Lease liabilities, current	484	810
Lease liabilities, non-current	88	270
<b>Total</b>	<b>572</b>	<b>1,080</b>

These liabilities by maturity are detailed as follows.

	Under 90 days ThUS\$	91 days to 1 year ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$
As of 06/30/2020	168	315	88	-	-
As of 12/31/2019	125	685	270	-	-

The effects on the statement of net income of operating lease contracts are as follows:

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Lease expense	437	909
Interest	(21)	(73)
Depreciation	(467)	(873)
Gain (loss) on deferred taxes	14	10
<b>Net income (loss)</b>	<b>(37)</b>	<b>(27)</b>

## NOTE 20 - TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Trade payables	48,365	56,004
Notes payable	122	798
Retentions	829	738
Dividends payable	-	3,791
Other	1,728	2,618
<b>Total</b>	<b>51,044</b>	<b>63,949</b>

Trade payables as of June 30, 2020 and 2019 by suppliers are as follows.

- Suppliers with payments not overdue

Supplier	Amount by payment terms					Total ThUS\$	Average payment period (days)
	Under 30	31-60	61-90	91-120	121-365		
Products	1,228	12,536	6,961	7,189	9,430	37,344	54
Services	823	8,306	47	13	-	9,189	35
Grand Total	2,051	20,842	7,008	7,202	9,430	46,533	

- Suppliers with payments overdue

Supplier	Amount by overdue range in days						Total ThUS\$
	Under 30	31-60	61-90	91-120	121-180	Over 181	
Products	553	389	247	-	-	1	1,190
Services	23	185	68	13	88	265	642
Grand Total	576	574	315	13	88	266	1,832

Trade payables as of December 31, 2019 by suppliers are as follows.

- Suppliers with payments not overdue

Supplier	Amount by payment terms					Total ThUS\$	Average payment period (days)
	Under 30	31-60	61-90	91-120	121-365		
Products	4,470	14,502	9,236	8,458	1,385	38,051	57
Services	4,823	9,643	2	-	132	14,600	39
Grand Total	9,293	24,145	9,238	8,458	1,517	52,651	

- Suppliers with payments overdue

Supplier	Amount by overdue range in days						Total ThUS\$
	Under 30	31-60	61-90	91-120	121-180	Over 181	
Products	529	1,176	1,038	23	-	-	2,766
Services	313	46	-	11	-	217	587
Grand Total	842	1,222	1,038	34	-	217	3,353

The Company has no confirming transactions.



## NOTE 21 - OTHER CURRENT PROVISIONS

Other current provisions at the reporting date are detailed as follows.

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Provisions for legal proceedings*	97	111
Closed sites	5,538	6,197
<b>Total</b>	<b>5,635</b>	<b>6,308</b>

\* Legal proceedings are described under Note 32 d) on contingencies

Movements in provisions are as follows:

	Provisions for legal proceedings		Site closure costs	
	06/30/2020 ThUS\$	12/31/2019 ThUS\$	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Opening balance	111	63	6,197	6,608
Increases	-	48	493	6,197
Decreases or payments	(14)	-	(1,152)	(6,608)
<b>Closing balance</b>	<b>97</b>	<b>111</b>	<b>5,538</b>	<b>6,197</b>

## NOTE 22 - EMPLOYEE BENEFIT PROVISIONS

As of June 30, 2020 and December 31, 2019, these are detailed as follows.

	Current		Non-current	
	06/30/2020 ThUS\$	12/31/2019 ThUS\$	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Vacation provision	1,103	1,342	-	-
Staff severance indemnities	-	37	127	101
<b>Total</b>	<b>1,103</b>	<b>1,379</b>	<b>127</b>	<b>101</b>

## NOTE 23 - EQUITY

### a) Capital Management

Capital management aims to safeguard its ability to continue as a going concern, to generate returns for its shareholders, to generate benefits for other stakeholders, and to maintain an optimal structure that reduces its cost of capital.

It forms part of the Company's Investment and Financing Policy, which establishes that investments must have appropriate project-specific financing, to maintain its productive assets in optimal operating conditions as well as those that increase its productive capacity to comply with the Company's strategic development plan, and other matters. Therefore, financing should provide the funds required for its existing assets to operate well, and for new investments, in accordance with the investment policy. Financing includes using its own resources and external resources up to a limit that does not compromise the Company's equity position or limit its growth. The Company will maintain several financing options open, such as short and long-term bank loans, supplier credit and other sources.

Salmones Camanchaca S.A. reports compliance with its commitments to financial institutions every quarter. There are covenants related its capacity to generate profits and equity, which are presented in note 18. As of June 30, 2020 and December 31, 2019, the Company has complied with the financial indicator limits required by those commitments.

b) Capital

The Company's share capital is as follows.

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Share capital		
Subscribed and paid share capital	91,786	91,786
Total	91,786	91,786

Common Shares	Total number of shares	
As of June 30, 2020 and December 31, 2019	66,000,000	66,000,000

c) Share premium

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Share premium	27,539	27,539
Total	27,539	27,539

Share premium is the difference between the IPO proceeds from placing 9,181,992 shares on February 2, 2018 (approx. US\$5 per share) and the book value of those shares (US\$2 per share).

d) Dividend provision

As of December 31, 2019, the Company had a final dividend provision of ThUS\$12,637, equivalent to 30% of distributable net earnings. The Company's Annual General Shareholders' Meeting held on April 30, 2020 agreed to distribute 40% of the distributable net earnings equivalent to ThUS\$ 16,850, which were paid on May 12, 2020.

There is no obligation for the Company to distribute dividends to the shareholders, so there is no such provision in the interim consolidated financial statements.

The calculations of minimum legal dividends and final dividends paid for 2020 in accordance with the resolution of the shareholders' meeting are as follows.

Description	As of 12/31/2019 30% ThUS\$	As of 12/31/2019 40% ThUS\$
Net income for the year	42,352	42,352
Reductions to distributable earnings		
Fair value adjustment for the year	(311)	(311)
Deferred tax (27%)	83	83
Net fair value adjustment	(228)	(228)
Net distributable income	42,124	42,124
Equivalent dividends	12,637	16,850
DIVIDENDS	ThUS\$	ThUS\$
Parent company Camanchaca	8,846	11,795
Non-controlling shareholders	3,791	5,055
Total Dividends	12,637	16,850

e) Other reserves

Other reserves are as follows.

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Translation in other companies reserves	(439)	(668)
Corporate reorganization reserves (*)	22,847	23,515
<b>Total</b>	<b>22,408</b>	<b>22,847</b>

(\*) These reserves include the difference between the book value and the proceeds from the capital increase in Fiordo Blanco S.A. and Surproceso S.A. shares, as this transaction was carried out between companies under common control.

f) Movements in retained earnings are as follows.

	06/30/2020 ThUS\$	12/31/2019 ThUS\$
Opening balance	61,543	41,336
Legal minimum interim dividends	-	(12,637)
Final dividends that exceed the legal minimum	(4,213)	(9,508)
Net income for the period	(14,550)	42,352
<b>Closing balance</b>	<b>42,780</b>	<b>61,543</b>

## NOTE 24 - EARNINGS PER SHARE

Earnings per share are as follows.

Description	06/30/2020 ThUS\$	06/30/2019 ThUS\$
Net income (loss) for the period (ThUS\$)	(14,550)	11,002
Weighted average number of shares	66,000,000	66,000,000
Basic earnings per share (US\$/share)	(0.2205)	0.1667

Basic earnings per share takes the net income for the period and divides it by the number of single series shares.

The Company has not issued convertible debt or other equity securities. Consequently, there are no potentially diluting effects on earnings per share.

## NOTE 25 - OPERATING REVENUE

Operating revenue is as follows.

	For the six month periods ended June 30,		For the three month period ended June 30,	
	2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 MUS\$
Fresh salmon sales	51,547	48,735	20,480	21,149
Frozen salmon sales	78,106	69,857	28,265	27,161
Services	1,551	1,332	299	176
Other products	3,032	3,245	1,204	17
<b>Total</b>	<b>134,236</b>	<b>123,169</b>	<b>50,248</b>	<b>48,503</b>

Operating revenue by destination market is as follows:

DESTINATION	06/30/2020 %	06/30/2019 %
Exports	93.12	90.14
Domestic	6.88	9.86
TOTAL	100.00	100.00

DESTINATION	06/30/2020 %	06/30/2019 %
USA	44.46	41.15
Europe + Eurasia	10.45	10.44
Asia, except Japan	9.75	5.88
Japan	10.15	6.80
LATAM, except Chile	17.21	24.67
Chile	6.88	9.86
Others	1.10	1.20
TOTAL	100.00	100.00

The Company has no final customers that represent more than 10% of sales. The related company Camanchaca Inc. distributes in the US market and is owned by the parent company. It represents more than 10% of sales abroad. The company has no assets abroad.

Revenue in ThUS\$ by the Company's markets are as follows:

a) As of June 30, 2020

Products	USA ThUS\$	Europe + Eurasia ThUS\$	Asia excluding Japan ThUS\$	Japan ThUS\$	LATAM, except Chile ThUS\$	Chile ThUS\$	Others ThUS\$	TOTAL ThUS\$
Atlantic salmon	58,632	12,778	11,535	10,187	21,648	4,580	1,485	120,845
Pacific salmon	1,046	1,245	1,557	3,434	1,457	69	-	8,808
Others	-	-	-	-	-	4,583	-	4,583
TOTAL	59,678	14,023	13,092	13,621	23,105	9,232	1,485	134,236

b) As of June 30, 2019

Products	USA ThUS\$	Europe + Eurasia ThUS\$	Asia excluding Japan ThUS\$	Japan ThUS\$	LATAM, except Chile ThUS\$	Chile ThUS\$	Others ThUS\$	TOTAL ThUS\$
Atlantic salmon	50,690	12,857	7,245	8,371	30,384	6,226	1,483	117,256
Others	-	-	-	-	-	5,913	-	5,913
TOTAL	50,690	12,857	7,245	8,371	30,384	12,139	1,483	123,169

## NOTE 26 - ADMINISTRATIVE EXPENSES

Administrative expenses are as follows.

	For the six month periods ended June 30,		For the three month period ended June 30,	
	2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 ThUS\$
Corporate support services	2,178	2,220	1,089	1,110
Remuneration	982	919	357	382
Communications	97	182	58	98
Leases	271	268	132	133
Depreciation	45	41	24	23
Audit and consultancy	60	153	17	79
Travel and traveling allowances	24	72	2	46
Legal expenses	75	118	41	70
Overhead expenses	239	309	56	157
Stock market expenses	231	197	207	112
Membership fees	142	141	73	51
Other administrative expenses	203	200	48	38
<b>Total</b>	<b>4,547</b>	<b>4,820</b>	<b>2,104</b>	<b>2,299</b>

## NOTE 27 - DISTRIBUTION COSTS

Distribution costs are as follows.

	For the six month periods ended June 30,		For the three month period ended June 30,	
	2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 ThUS\$
Distribution services	870	858	435	429
Remuneration	534	633	216	236
Storage expenses	977	250	408	131
Commissions	254	90	148	25
Haulage costs	1,186	639	448	191
Maritime freight	548	226	204	60
Insurance	171	114	126	99
Shipment costs	83	158	25	10
Travel and traveling allowances	39	31	20	16
Export certificates	128	131	37	53
Sales and marketing expenses	74	40	74	40
Other expenses	136	194	62	56
<b>Total</b>	<b>5,000</b>	<b>3,364</b>	<b>2,203</b>	<b>1,346</b>

## NOTE 28 - FINANCIAL COSTS

Financial costs are detailed as follows:

	For the six month periods ended June 30,		For the three month period ended June 30,	
	2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 ThUS\$
Financial interest	2,061	1,671	1,042	1,029
Financial commissions	135	320	67	252
Interest on leases - IFRS 16	21	19	9	19
Other expenses	-	54	-	54
<b>Total</b>	<b>2,217</b>	<b>2,064</b>	<b>1,118</b>	<b>1,354</b>

## NOTE 29 - EXCHANGE DIFFERENCES

Exchange differences are as follows.

		For the six month periods ended June 30,		For the three month period ended June 30,	
		2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 ThUS\$
<b>Assets (charge) / credit</b>					
Bank accounts	Ch\$	(794)	(30)	100	(89)
Bank accounts	Euros	(31)	(12)	(4)	19
Domestic customers	Ch\$	(170)	57	123	57
Foreign customers	Euros	2	(15)	9	(46)
Miscellaneous receivables	Ch\$	(12)	115	6	(71)
Recoverable taxes	Ch\$	(1,429)	137	1,599	55
Prepaid expenses	Ch\$	(3)	-	1	-
Other non-current non-financial assets	UF	-	(48)	-	(48)
Others	Ch\$	(111)		41	(165)
<b>Total</b>		<b>(2,548)</b>	<b>204</b>	<b>1,875</b>	<b>(288)</b>
<b>Liabilities (charge) / credit</b>					
Loans from banks	Yen				
Trade payables	Ch\$	1,146	(544)	(575)	4
Trade payables	Euros	60	3	80	15
Notes payable	Ch\$	13	(11)	(5)	1
Notes payable	Euros	19	(4)	16	(2)
Provisions and withholdings	Ch\$	(17)	11	(229)	55
Provisions and withholdings	UF	38	-	(20)	-
<b>Total</b>		<b>1,259</b>	<b>(545)</b>	<b>(733)</b>	<b>73</b>
<b>Gain (loss) on foreign currency translation</b>		<b>(1,289)</b>	<b>(341)</b>	<b>1,142</b>	<b>(215)</b>

## NOTE 30 - OTHER INCOME (LOSSES)

Other net income and losses for the period are as follows.

	For the six month periods ended June 30,		For the three month period ended June 30,	
	2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 ThUS\$
Net gain on selling assets	(70)	(26)	(61)	97
Provision not covered by insurance	(4,072)	(2,191)	(4,090)	(2,191)
Costs of disposing of property, plant and equipment	(512)	(327)	(87)	-
Loss on disposal of investment in New World Currents Ltd.	(50)	-	(50)	-
Earnings from the trout joint venture	1,388	(1,114)	(1,010)	(525)
Others	-	34	-	-
<b>Total</b>	<b>(3,316)</b>	<b>(3,624)</b>	<b>(3,278)</b>	<b>(2,619)</b>

As of December 31, 2019, Salmones Camanchaca had a one third interest in a trout joint venture. However, as this is not a separate legal entity from the joint venture Manager, Caleta Bay, the Company does not exercise joint control or significant influence over the key decisions of this business. The Manager is fully responsible for the entire value chain, it operates this business in its own name and its own risk, and is liable to the aquaculture, sanitary, environmental or other authorities. The only assets that Salmones Camanchaca contribute to this trout joint venture are the concessions where the fish are farmed, and it receives variable compensation associated with this contribution. Therefore, it does not comply with the definition of a joint venture for accounting purposes, nor can it be measured at fair value as a financial asset under IFRS 9, since the Company's accounting policy is to value concessions at cost. As the concessions contributed by Salmones Camanchaca to the trout joint venture have never been legally transferred to the Manager, these concessions cannot be valued at fair value, according to IAS 8.10. Therefore, the Company's accounting policy is to recognize one third of the trout joint venture earnings in Other income and losses within the statement of net income by function and not within operating income, which is recycled annually.

The provision not covered by insurance is associated with biomass and physical assets as of June 30, 2020 and totals ThUS\$ 4,072. It relates to the event in May at the Islotes farming site. Similarly, the loss of ThUS\$ 2,191 as of the same date last year is for similar consequences caused by oxygen deprivation.

# NOTE 31 - ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are as follows:

Item	Currency	06/30/2020 ThUS\$	12/31/2019 ThUS\$
<b>Current assets</b>			
Cash and cash equivalents	US\$	6,388	6,530
Cash and cash equivalents	Ch\$	5,255	6,226
Cash and cash equivalents	Euro	382	1,111
Other financial assets, current	US\$	-	23
Other financial assets, current	Ch\$	31	33
Other non-financial assets, current	US\$	2,223	3,751
Other non-financial assets, current	Ch\$	5,497	4,767
Trade and other receivables, current	US\$	17,621	37,059
Trade and other receivables, current	Ch\$	2,087	2,236
Trade and other receivables, current	Euro	-	592
Related party receivables, current	US\$	32,565	38,600
Inventories	US\$	28,372	32,875
Biological assets, current	US\$	130,642	142,615
Tax assets, current	Ch\$	10,314	4,861
<b>Total</b>		<b>241,377</b>	<b>281,279</b>

Item	Currency	06/30/2020 ThUS\$	12/31/2019 ThUS\$
<b>Non-current assets</b>	US\$		
Other financial assets, non-current	US\$	27	27
Other non-financial assets, non-current	US\$	112	112
Rights receivable, non-current	US\$	1,964	1,252
Equity method investments	US\$	4,551	4,805
Intangible assets other than goodwill	US\$	6,972	6,948
Property, plant and equipment	US\$	113,412	111,888
Deferred tax assets	US\$	2,780	1,419
<b>Total</b>		<b>129,818</b>	<b>126,451</b>



Item	Currency	06/30/2020 ThUS\$	12/31/2019 ThUS\$
<b>Current liabilities</b>			
Other financial liabilities, current	US\$	17,328	8,391
Operating lease liabilities, current	US\$	76	72
Operating lease liabilities, current	Ch\$	151	411
Operating lease liabilities, current	UF	257	327
Trade and other payables, current	US\$	36,211	43,461
Trade and other payables, current	Ch\$	14,183	19,255
Trade and other payables, current	UF	631	1,224
Trade and other payables, current	NOK	13	5
Trade and other payables, current	DKK	-	4
Trade and other payables, current	GBP	6	-
Related party payables, current	US\$	7,198	15,697
Related party payables, current	Ch\$	441	-
Other provisions, current	US\$	5,635	6,308
Employee benefit provisions, current	Ch\$	1,103	1,379
<b>Total</b>		<b>83,233</b>	<b>96,534</b>

Item	Currency	06/30/2020 ThUS\$	12/31/2019 ThUS\$
<b>Non-current liabilities</b>			
Other financial liabilities, non-current	US\$	90,000	90,000
Operating lease liabilities, non-current	US\$	40	81
Operating lease liabilities, non-current	Ch\$	48	178
Operating lease liabilities, non-current	UF	-	11
Deferred tax liabilities	US\$	13,234	17,110
Employee benefit provisions, non-current	Ch\$	127	101
<b>Total</b>		<b>103,449</b>	<b>107,481</b>

## NOTE 32 - GUARANTEES AND CONTINGENCIES

### a) Bank loan conditions

Salmones Camanchaca S.A. provided guarantees for its main assets on November 27, 2017, under the debt rescheduling, financing commitment and joint and several guarantee contract with DNB, Rabobank and Banco Santander, as follows.

- i. Mortgage on six plots including everything built on them, four in Tome, one in Puerto Varas and one in Calbuco.
- ii. Maritime mortgage on fishing vessels and four naval crafts.
- iii. Pledge
  - a. Non-possessory pledge over the salmon processing plant in Tome, Calbuco and the Fish Farm in Petrohue.
  - b. Salmones Camanchaca S.A. and subsidiary mortgaged to the Banks all the aquaculture concessions that it owns for salmon and trout.

### b) Direct guarantees

Debtor		Guarantee	Property	Book value ThUS\$
Name	Relationship			
Salmones Camanchaca S.A.	Commercial	Property mortgage	Tome real estate	3,876
Salmones Camanchaca S.A.	Commercial	Property mortgage	Puerto Varas real estate	2,215
Salmones Camanchaca S.A.	Commercial	Property mortgage	Calbuco real estate	214
Salmones Camanchaca S.A.	Commercial	Property mortgage	Salmon vessels	1,665
Salmones Camanchaca S.A.	Commercial	Pledge	Machinery and equipment	10,737
Salmones Camanchaca S.A.	Commercial	Pledge	Buildings and construction	13,511

### d) Contingencies

The Company regularly evaluates the likelihood of loss on its litigation and contingencies, in accordance with estimates provided by its legal advisers. Detailed information relating to these processes is available, provided it does not compromise the Company's defense. Salmones Camanchaca S.A. has litigation or administrative proceedings before the Courts of Justice or administrative bodies at the reporting date. Therefore, it had created the following provisions as of June 30, 2020.

Nature Lawsuits	06/30/2020		12/31/2019	
	Number of cases	Accounting provision ThUS\$	Number of cases	Accounting provision ThUS\$
Civil	4	83	4	90
Employment	8	14	6	21
Criminal	1	-	1	-
Total	13	97	11	111

#### NOTE 33 - SANCTIONS

The Company, its Directors and Managers have not been subject to sanctions of any kind by the FMC (formerly the Superintendent of Securities and Insurance) or other administrative authorities as of the date these consolidated financial statements were issued.

#### NOTE 34 - THE ENVIRONMENT

Salmones Camanchaca S.A. continuously renews its commitment to the environment, by implementing new processes and technologies at its production plants. This has enabled it to achieve a sustainable business, and to further cultivate species in an efficient manner, while minimizing its impact on the environment.

The Company invested in the following environmental mitigation projects during the period January 1 to June 30, 2020.

		06/30/2020 Investment ThUS\$
Project		
Waste management		643
Environmental services		154
Total		797

The Company invested in the following projects during the period January 1 to June 30, 2019.

		12/31/2019 Investment ThUS\$
Project		
Waste management		371
Environmental services		81
Total		452

The Company is committed to complying with all environmental regulations. In particular it will continue to actively participate in discussions regarding projects that involve amendments and improvements to environmental and health regulations, to ensure that these can be implemented from a technical, financial, social and environmental perspective. It is dedicated to supporting the best proposal for the environment and developing the industry.

#### NOTE 35 - OTHER INFORMATION

The number of employees by category at the reporting date is as follows.

<b>Laborers</b>	<b>Professionals and Technicians</b>	<b>Senior Executives</b>	<b>Total 06/30/2020</b>
1,418	312	13	<b>1,743</b>

<b>Laborers</b>	<b>Professionals and Technicians</b>	<b>Senior Executives</b>	<b>Total 06/30/2019</b>
1,119	283	13	<b>1,415</b>

#### NOTE 36 - SUBSEQUENT EVENTS

Between the reporting date and the date these consolidated financial statements were issued, Management was not aware of any other subsequent events that could significantly impact their interpretation.



**Statement of Responsibility**

Company: Salmones Camanchaca S.A.  
RUT: 76.065.596-1

On August 19, 2020, the directors and the CEO of Salmones Camanchaca S.A., undersign this financial statements and state under oath that the information contained in it is the faithful expression of the truth and they confirm, to the best of their knowledge, that the financial statements for the period January 1 to June 30, 2020 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole and that the interim management report includes a fair review.

Jorge Fernández García  
Chairman

Felipe Sandoval Precht  
Board Member

Francisco Cifuentes Correa  
Board Member

Tore Valderhaug  
Board Member

Joaquín Villarino Herrera  
Board Member

Rodrigo Errázuriz Ruiz-Tagle  
Board Member

Ricardo García Holtz  
Board Member

Manuel Arriagada Ossa  
CEO

Santiago, August 19, 2020.